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Bk# 2302 Pg# 1387

DECLARATION OF CONDOMINIUM
OF
616 CAROLINE CONDOMINIUM
KEY WEST, FLORIDA

DANIEL DEUTSCH, JUDITH DEUTSCH, MARC DOCTORS AND MARY ELIZABETH DOCTORS, herein called "Developer," on behalf of herself and their successors, grantees, and assigns, hereby makes this Declaration of Condominium:

1. SUBMISSION TO CONDOMINIUM -- The fee simple title to the lands located in Monroe County, Florida, and described in attached Exhibit "E" are submitted to the condominium form of ownership.

2. NAME -- PLAN OF DEVELOPMENT -- Developer owns the property located at 616 Caroline Street, Key West, Florida which consists of one (1) building, containing a total of six (6) residential units and associated improvements designated as "616 CAROLINE CONDOMINIUM". The entire condominium parcel and the Floor Plans of each of those six units are described in Exhibit "B". This is a conversion of existing, previously occupied improvements to condominium ownership.

3. NAME -- ASSOCIATION -- The name of the Condominium Association is "616 CAROLINE CONDOMINIUM ASSOCIATION, INC." This Association is incorporated as a not-for-profit Florida corporation.

4. DEFINITIONS -- The terms used herein will have the meanings stated in Florida Statutes Chapter 718 (Condominium Act) and as follows, unless the context otherwise requires:

4.1. ASSESSMENT -- The share of the funds required for the payment of common expenses that is assessed against a unit owner from time to time.

4.2. ASSOCIATION -- The corporation responsible for the operation of the Condominium.

4.3. ASSOCIATION PROPERTY -- All real or personal property owned or leased by the Association.

4.4. BOARD OF DIRECTORS or DIRECTORS or BOARD -- The board of directors responsible for the administration of the Association.

4.5. CHARGE or SPECIAL CHARGE -- The obligation of a unit owner to pay or reimburse money to the Association that cannot be secured as an assessment pursuant to F.S. 718.116, but which will, if the charge is not paid, give rise to a cause of action against the unit owner pursuant to this declaration.

4.6. COMMON ELEMENTS -- The portions of the property submitted to condominium ownership and not included in the units, including:

4.6.1. Land

4.6.2. All parts of improvements that are not included within the units

4.6.3. Easements

4.6.4. Installations for the furnishing of services to more than one unit or to the common elements.

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4.7. **COMMON EXPENSES** -- All expenses and assessments properly incurred by the Association for the Condominium and such expenses as may be declared to be common expenses by this Declaration.

4.8. **COMMON SURPLUS** -- The excess of all receipts of the Association above the common expenses.

4.9. **CONDOMINIUM DOCUMENTS** -- This Declaration and the attached exhibits setting forth the nature of the property rights in the Condominium and the covenants running with the land that govern these rights. All the other Condominium documents will be subject to the provisions of the Declaration. The order of priority of the documents will be as follows: (1) Declaration; (2) Association Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

4.10. **CONDOMINIUM PARCEL** -- A unit together with the undivided share in the common elements that is appurtenant to the unit.

4.11. **CONDOMINIUM PROPERTY** -- The real and personal property, both tangible and intangible, subject to condominium ownership, whether or not contiguous; all improvements thereon; and all easements and rights appurtenant thereto.

4.12. **DEVELOPER** -- DANIEL DEUTSCH, JUDITH DEUTSCH, MARC DOCTORS AND MARY ELIZABETH DOCTORS, are the Developer which has established this Condominium, and the successors and assigns of their development rights.

4.13. **EXHIBITS:**

- A. Association Articles of Incorporation
- B. Survey and Floor Plans
- C. Association Bylaws
- D. Rules and Regulations
- E. Legal description of the Condominium property
- F. Percentages of ownership of the common elements
- G. Consent of Mortgagee to Condominium Conversion

4.14. **FAMILY** -- One natural person or a group of two or more natural persons, each of whom is related to each of the others by blood, marriage, or adoption (exclusive of household servants); note more than two adult persons not so related and the children of either or both of them, who reside together as a single not-for-profit housekeeping unit.

4.15. **GUEST** -- Any person who is physically present in or occupies a unit on a temporary basis at the invitation of the unit owner without the payment of consideration.

4.16. **INSTITUTIONAL FIRST MORTGAGEE** -- The mortgagee or its assignee of a first mortgage on a condominium parcel. The mortgagee may be a bank, a savings and loan association, a mortgage banker, a life insurance company, a real estate or mortgage investment trust, a pension or profit sharing trust, the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or the developer. The term also refers to any holder of a first mortgage against a condominium parcel which mortgage is guaranteed or insured, as evidenced by a recorded instrument, by the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or any other public or private corporation engaged in the business of guaranteeing or insuring residential first mortgage loans, and their successors and assigns.

4.17. **LEASE** -- The grant by a unit owner of a temporary right of use of the owner's unit for a valuable consideration.

4.18. **LIMITED COMMON ELEMENTS** -- Those portions of the common elements that are reserved for the use of a certain unit or units to the exclusion of the other units. See Exhibit "B" hereto.

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4.19. 616 CAROLINE -- The lands in Key West, Monroe County, Florida, described in Exhibit "E", hereto.

4.20. OCCUPY -- The act of being physically present in a unit on two or more consecutive days, including staying overnight. An occupant is one who occupies a unit.

4.21. OPERATION -- The administration and management of the Condominium property.

4.22. PERSON -- An individual, corporation, trust, or other legal entity capable of holding title to real property.

4.23. SINGULAR, PLURAL, GENDER -- Whenever the context permits, use of the plural includes the singular, use of the singular includes the plural, and use of any gender includes all genders.

4.24. UNIT -- A part of the Condominium property that is subject to exclusive ownership as described in this declaration.

4.25. UNIT NUMBER As is shown in Exhibit "B", the units are designated as Units 1, 2, 3, 4, 5 and 6.

4.26. UNIT OWNER -- The owner of record legal title to a condominium parcel.

4.27. VOTING INTEREST -- The voting rights distributed to the Association members pursuant to F.S. 718.104(4)(j).

5. CONDOMINIUM UNITS, BOUNDARIES, AND APPURTENANCES -- Each unit and its appurtenances constitute a separate parcel of real property that may be owned in fee simple. The unit may be conveyed, transferred, and encumbered like any other parcel of real property, independently of all other parts of the Condominium property, subject only to the provisions of the condominium documents and applicable laws.

5.1. BOUNDARIES -- Each unit will have boundaries as defined below and as described in Exhibit "B". The boundaries may be changed by permissible repairs, reconstruction, or alterations.

5.1.1. HORIZONTAL BOUNDARIES -- The upper and lower boundaries of the units will be:

5.1.1.1. UPPER BOUNDARY -- The planes of the underside of the finished and undecorated ceilings of the floor of the unit, extended to meet the perimeter boundaries.

5.1.1.2. LOWER BOUNDARY -- The planes of the upper side of the finished and undecorated surface of the floor of the unit, extended to meet the perimeter boundaries.

5.1.2. PERIMETER BOUNDARIES -- The perimeter boundaries will be both the finished and undecorated interior surfaces of the perimeter walls of the unit as shown in Exhibit "B", and the planes of the interior surfaces of the unit's windows, doors, and other openings that abut the exterior of the building or common elements.

5.2. EXCLUSIVE USE -- Each unit owner will have the exclusive use of such owner's unit.

5.3. OWNERSHIP -- The ownership of each unit will carry with it, as appropriate, and whether or not separately described, all of the rights, title, and interest of a unit owner in the Condominium property which will include, but not be limited to:

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5.3.1. COMMON ELEMENTS AND COMMON SURPLUS -- An undivided share of ownership of the common elements and common surplus.

5.3.2. LIMITED COMMON ELEMENTS -- Limited Common Elements are those common elements which are reserved for the use of a certain unit or units to the exclusion of all other units, as specified in this Declaration of Condominium.

5.3.3. ASSOCIATION MEMBERSHIP -- Membership in the Association and voting rights.

5.4. EASEMENTS -- The following nonexclusive easements are created by and granted from the developer to each unit owner; to the Association; and their employees, agents, and hired contractors; to utility companies; to unit owners' families in residence, guests, and invitees; and to governmental and emergency services, as applicable.

5.4.1. EASEMENT FOR AIR SPACE -- An exclusive easement for use of the air space occupied by the unit as it exists at any particular time and as the unit may be lawfully altered or reconstructed from time to time. The easement will be terminated automatically in any air space that is vacated from time to time.

5.4.2. INGRESS AND EGRESS -- Easements over the common elements for ingress and egress to units and public ways.

5.4.3. MAINTENANCE, REPAIR, AND REPLACEMENT -- Easements through the units and common elements for maintenance, repair, and replacement.

5.4.4. UTILITIES -- Easements through the common elements and units for conduits, ducts, plumbing, and wiring, and other facilities for the furnishing of services and utilities to other units, the common elements, and other utility customers, both existing and future.

5.4.5. PUBLIC SERVICES -- Access to both the Condominium property and the units for lawfully performed emergency, regulatory, law enforcement, and other public services.

6. MAINTENANCE; LIMITATIONS ON ALTERATIONS AND IMPROVEMENTS -- The responsibility for protection, maintenance, repair, and replacement of the Condominium property, and restrictions on its alteration and improvement, shall be as follows:

6.1. ASSOCIATION MAINTENANCE -- The Association is responsible for the protection, maintenance, repair, and replacement of all common elements and Association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit owner). The cost is a common expense. The Association's responsibilities include, without limitation:

6.1.1. Electrical wiring up to the circuit breaker panel in each unit.

6.1.2. Water pipes, up to the individual unit cut-off valve within the unit.

6.1.3. Cable television lines up to the wall outlets in the units.

6.1.4. Air conditioning condensation drain lines, up to the point where they enter each unit.

6.1.5. Sewer lines, up to the point where they enter the unit.

6.1.6. All installations, fixtures, and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common elements.

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caulking.

6.1.7. All exterior building walls, including painting, waterproofing, and

6.1.8. The roof.

6.1.9. The fences surrounding the property.

6.1.10. The sidewalks, decks and walkway or parking areas.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing, or mechanical installations located within a unit and serving only that unit. All incidental damage caused to a unit by work performed or ordered to be performed by the Association shall be repaired promptly by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition to the common elements made by a unit owner or his or her predecessor in title or for damage to paint, wallpaper, paneling, flooring, or carpet which, of necessity, must be cut or removed to gain access to work areas located behind it.

6.2. UNIT OWNER MAINTENANCE -- Each unit owner is responsible, at the owner's expense, for all maintenance, repairs, and replacements within the owner's unit and certain limited common elements. The owner's responsibilities include, without limitation:

6.2.1. Maintenance, repair, and replacement of screens, windows, and window glass.

6.2.2. The main entrance door to the unit.

6.2.3. All other doors within or affording access to the unit.

6.2.4. The electrical, mechanical, and plumbing lines, water heater, pipes, fixtures, switches, valves, drains, and outlets (including connections) located partially or entirely within the unit or serving only the unit.

6.2.5. The circuit breaker panel and all electrical wiring going into the unit from the panel.

6.2.6. Appliances, smoke alarms, and vent fans.

6.2.7. All air conditioning and heating equipment, thermostats, ducts, and installations serving the unit exclusively except as otherwise provided in Paragraph 6.4, below.

6.2.8. Carpeting and other floor coverings.

6.2.9. Door and window hardware and locks.

6.2.10. Shower pans.

6.2.11. The main water supply shut-off valve for the unit.

6.2.12. Other facilities or fixtures that are located or contained entirely within the unit and serve only that unit.

6.2.13. All interior partition walls that do not form part of the boundary of the unit.

6.3. OTHER UNIT OWNER RESPONSIBILITIES

6.3.1. BALCONIES, DECKS, PATIOS, AND PORCHES – Where a limited

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common element is indicated herein, the unit owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor, and ceiling bounding said area, if any; and all doors in the entranceway to said area, if any; and the wiring, electrical outlet(s), water features and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the maintenance, repair, and replacement of all exterior walls of the building. The unit owner shall be responsible for day-to-day cleaning and care, but all painting and maintenance of the exterior surfaces and structures of the building shall be the responsibility of the Association and shall be a common expense. The maintenance, repair and replacement of any limited common area shall be the responsibility of the unit owner.

6.3.2. INTERIOR DECORATING -- Each unit owner is responsible for all decorating within the owner's unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

6.3.3. FLOORING -- Any flooring installed on limited common areas shall be installed so as to ensure proper drainage.

6.3.4. WINDOW COVERINGS -- The covering and appearance of the windows and doors, whether by draperies, shades, reflective film, or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.

6.3.5. MODIFICATIONS AND ALTERATIONS OR NEGLECT -- If a unit owner makes any modifications, installations, or additions to the unit or the common elements or neglects to maintain, repair, and replace as required by this section 6, the unit owner, and the owner's successors in title, shall be financially responsible for:

6.3.5.1. Insurance, maintenance, repair, and replacement of the modifications, installations, or additions;

6.3.5.2. The costs of repairing any damage to the common elements or other units resulting from the existence of such modifications, installations, or additions; and

6.3.5.3. The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium property for which the Association is responsible.

6.3.6. USE OF LICENSED AND INSURED CONTRACTORS -- Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition, or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that owner's contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

6.4. APPLIANCE MAINTENANCE CONTRACTS -- If there shall become available to the Association a program of contract maintenance for water heaters serving individual units, and/or air conditioning compressors and/or air handlers and related equipment and fixtures serving individual units, which the Association determines is to the benefit of the owners to consider, then on agreement by a majority of the voting interests of the Condominium, in person or by proxy and voting at a meeting called for the purpose, or on agreement by a majority of the total voting interests of the Condominium in writing, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be common expenses. All maintenance, repairs, and replacements not covered by the contracts shall be the responsibility of the unit owner.

6.5. PEST CONTROL -- The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the

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option to decline such service unless the Association determines that service is necessary for the protection of the balance of the Condominium, in which event the owner thereof either must permit the Association's pest control company to enter the unit or must employ a licensed pest control company to enter the owner's unit on a regular basis to perform pest control services, and must furnish written evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the service will not reduce the owner's assessments.

6.6. OWNER ALTERATION OF COMMON ELEMENTS RESTRICTED -- No unit owner may make any alterations, add to, or remove any part of the portions of the improvements that are to be maintained by the Association without the prior written approval of the Board of Directors. The Board has the authority to approve, disapprove, or require modifications to the proposed work. The Board's decision will be final. The owner must obtain all necessary approvals and permits from applicable government entities. The Association may require approval from engineers or other professionals as a prerequisite. The entire expense must be borne by the owner, including any subsequent maintenance and restoration. No owner will do any work that would jeopardize the safety or soundness of the building or impair any easements. If approved by the Board, two units owned by the same owner that are adjacent, either horizontally or vertically, may be connected by doorways or stairways through common element walls or floors. Such Board-approved work is declared not to constitute material alterations or substantial additions to the common elements.

7. COMMON ELEMENTS

7.1. SHARE OF -- The undivided share of ownership of the common elements appurtenant to each Unit is as follows:

<u>Unit Number</u>	<u>Percentage</u>	<u>Fraction</u>	<u>Based upon the following square footage:</u>
1	13.9739%	13.9739/100	525
2	11.3921%	11.3921/100	428
3	11.1791%	11.1791/100	420
4	26.0846%	26.0846/100	980
5	20.0692%	20.0692/100	754
6	17.3010%	17.3010/100	650
	100.000 %	1.00000/1.00000	3,757 square feet

The foregoing percentages shall apply regardless of any variances of the actual measurements of the square footage of Units from those depicted in the Graphic Descriptions. Each Unit's share of the common expenses will be the same as its share of the ownership of the common elements. See also, Exhibit "F", attached hereto.

7.2. USE -- Each unit owner and the Association will be entitled to use the common elements in accordance with the purposes for which the elements are intended; however, no such use may hinder or encroach upon the lawful rights of other unit owners.

7.3. MATERIAL ALTERATIONS AND ADDITIONS -- Except for changes made by an owner with Association approval as provided in Paragraph 6.6. above, or by the Board of Directors alone for the integrity of the Condominium property, material alteration of or substantial additions to the common elements or to Association property, including the purchase, acquisition, sale, conveyance, or mortgaging of such property, may be effectuated only by vote of 66.7% of the voting interests of the Association at a meeting called for that purpose. The Board of Directors, without any vote of the membership, is authorized to lease or grant easements or licenses for the use of the common elements or Association property to unit owners or other persons if, in the judgment of the Board, the use will benefit the members of the Association, even when the lease, easement, or license would result in a material alteration or substantial addition to the common elements or Association property. The Association may charge for the use.

8. FISCAL MANAGEMENT -- The fiscal management of the Condominium, including

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budget, fiscal year, charges, assessments, and collection of assessments, shall be as set forth herein and in the Bylaws (Exhibit "C").

9. **ADMINISTRATION** -- The administration of the Condominium shall be by the Board of Directors and its powers and duties shall be as set forth herein and in the Articles of Incorporation and the Bylaws.

10. **INSURANCE** -- In order to adequately protect the unit owners, the Association, and all parts of the Condominium property and Association property that are required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

10.1. **DUTY AND AUTHORITY TO OBTAIN** -- The Board of Directors shall use its best efforts to obtain and maintain adequate insurance. In all insurance purchased by the Association, the name of the insured shall be the Association and the unit owners and their mortgagees (without naming them), as their interests shall appear, and the policy shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of institutional first mortgages.

10.2. **BASIC INSURANCE** -- The Board of Directors will procure insurance covering the building and improvements as well as all insurable Association property, in an amount determined annually by the Board. Pursuant to F.S. 718.111(11)(b), the word "building" does not include floor coverings, wall coverings, or ceiling coverings, nor electrical fixtures, appliances, air conditioning or heating equipment, water heaters, or built-in cabinets located within a unit. Such insurance shall afford the following protection:

10.2.1. **PROPERTY** -- The policy must include extended coverage (including windstorm), and replacement cost coverage for loss or damage by fire, vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

10.2.2. **FLOOD** -- The policy must include up to the replacement cost for the building and insurable improvements, as available.

10.2.3. **LIABILITY** -- The policy must include premises and operations liability endorsements for bodily injury and property damage in such limits of protection and with such coverage as required by the Board of Directors of the Association, with cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner.

10.2.4. **AUTOMOBILE** -- The policy must include automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles used in Association business in such limits of protection and with such coverage as may be required by the Board of Directors of the Association.

10.2.5. **WORKERS' COMPENSATION** -- The Association shall maintain workers' compensation insurance to meet the requirements of law.

10.2.6. **FIDELITY BONDING** -- The Association shall obtain and maintain insurance or fidelity bonding for all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

10.2.7. **DIRECTORS AND OFFICERS LIABILITY INSURANCE** -- The Association shall obtain and maintain adequate Directors and officers liability insurance using the broad form of policy coverage for all Directors and officers and, if available, for committee members of the Association.

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10.2.8. OPTIONAL COVERAGE -- The Association may purchase and carry such other insurance coverage as the Board of Directors may determine from time to time to be in the best interests of the Association and unit owners.

10.3. DESCRIPTION OF COVERAGE -- A detailed summary of the coverage included in the master policies shall be available for inspection by unit owners on request.

10.4. WAIVER OF SUBROGATION -- The Board of Directors shall endeavor to obtain, if available and where applicable, insurance policies which provide that the insurer waives its rights to subrogation as to any claim against unit owners, the Association, or their respective servants, agents, or guests.

10.5. SHARES OF INSURANCE PROCEEDS -- All proceeds of insurance policies purchased by the Association shall be payable to the Association. The duty of the Association shall be to receive such proceeds and hold and disburse them for the purposes stated herein in the following shares:

10.5.1. COMMON ELEMENTS -- Proceeds on account of damage to common elements shall be held in as many undivided shares as there are units, the shares of each unit owner being the same as owner's share in the common elements.

10.5.2. UNITS -- Proceeds on account of damage to units shall be held in as many undivided shares as there are damaged units, the share of each owner being in proportion to the cost of restoring the damage suffered by each such unit.

10.5.3. MORTGAGEES -- If a mortgagee endorsement has been issued as to a unit, the shares of the mortgagee and the unit owner shall be as their interests may appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages that it may hold against units except to the extent that insurance proceeds exceed the actual costs of repair or restoration of the damaged improvements, and no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty. The Association shall pay all policy deductible amounts on Association policies.

10.6. DISTRIBUTION OF INSURANCE PROCEEDS -- Proceeds of insurance policies received by the Association shall be distributed for the benefit of the unit owners in the following manner:

10.6.1. COST OF RECONSTRUCTION OR REPAIR -- If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the proceeds shall first be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be retained by the Association.

10.6.2. FAILURE TO RECONSTRUCT OR REPAIR -- If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds after expenses shall be distributed to the beneficial owners. The remittances to unit owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of mortgagees and may be enforced by them.

10.7. ASSOCIATION AS AGENT -- The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY -- If any part of the Condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:

11.1. DAMAGE TO UNITS -- Where loss or damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, any Association insurance proceeds on account of the damage, less the deductible, shall be distributed to such

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contractors, suppliers, and personnel for work done, materials supplied, or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the unit owners may direct. The owners of damaged units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds. Unit owners are required by Florida Statute 718.111 (11) and this Declaration to carry insurance on all portions of their unit not covered by the Association policies. Owners may view the Association's policy at any time (with 24 hour notice), must provide a certificate of the insurance acquired by the owner for the unit (at least annually), and consents to the Association obtaining such coverage at the owner's expense should the owner fail to do so.

11.2. DAMAGE TO COMMON ELEMENTS -- LESS THAN "VERY SUBSTANTIAL" -- Where loss or damage occurs to the common elements, but the loss is less than "very substantial," as hereinafter defined, it shall be mandatory for the Association to repair, restore, or rebuild the damage caused by the loss, and the following procedures shall apply:

11.2.1. ESTIMATES -- The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

11.2.2. INSURANCE INSUFFICIENT -- If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the common elements, the Association shall promptly, on determination of the deficiency, levy a special assessment against all unit owners. Such special assessments need not be approved by the unit owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

11.2.3. "VERY SUBSTANTIAL" DAMAGE -- As used in this Declaration, the term "very substantial" damage shall mean loss or damage whereby one or more of the units is rendered uninhabitable. Should such "very substantial" damage occur, then:

11.2.3.1. OWNERS' MEETING -- A meeting of the Association shall be called by the Board of Directors to be held within a reasonable time after the casualty. A determination by the Board of Directors as to what is a reasonable time shall be conclusive. The purpose of the meeting shall be to determine the wishes of the membership with reference to reconstruction or termination of the Condominium, subject to the following:

11.2.3.1.1. INSURANCE SUFFICIENT -- If the insurance proceeds and reserves available for reconstruction and repair are sufficient to cover the cost thereof, so that no special assessment is required, the Condominium property shall be reconstructed or repaired unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general type of units, in which case the Condominium shall be terminated pursuant to Paragraph 16.2.

11.2.3.1.2. INSURANCE INSUFFICIENT -- If the insurance proceeds and reserves available for reconstruction and repair are not sufficient to cover the cost thereof so that a special assessment will be required, then unless at least 66.7% of the voting interests of the Association vote in favor of such special assessment and against termination of the Condominium, it shall be terminated pursuant to Paragraph 16.2. If 66.7% of the voting interests of the Association approve the special assessment, the Association, through its Board, shall levy such assessment and shall proceed to negotiate and contract for such reconstruction and repairs. The special assessment shall be added to the proceeds of insurance and reserves available for reconstruction and repair of the property.

11.2.4. DISPUTES -- If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding on all unit owners.

11.3. APPLICATION OF INSURANCE PROCEEDS -- It shall be presumed that the first monies disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the common elements and Association property and then to

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the units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be retained by the Association. However, if special assessments were made pursuant to Paragraph 11.2.3.1.2. hereof, then all or a part of the remaining money shall be returned to the unit owners paying said assessments pro rata, according to the amount each paid, up to the full amount each paid, and then to the Association.

11.4. **EQUITABLE RELIEF** -- In the event of substantial damage to the Condominium property, and if the property is not reconstructed or repaired within a reasonable period of time, any unit owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that reconstruction or repair has occurred within a reasonable period of time if substantial work is commenced within such time following the damage or destruction as is determined by the Board of Directors to be reasonable and the work proceeds without intentional and unwarranted delay to completion.

11.5. **PLANS AND SPECIFICATIONS** -- Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors and by the owners of 66.7% of the voting interests of the Association and by the Historic Architectural Review Commission (HARC) of the City of Key West.

12. **USE RESTRICTIONS** -- The use of the property of the Condominium shall be in accordance with the rules and regulations attached hereto and incorporated herein as Exhibit "D" and the following provisions:

12.1. **LAWFUL USE** -- All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies that require maintenance, modification, or repair on Condominium property shall be the same as the responsibility for the repair and maintenance of the property as expressed earlier in this Declaration.

12.2. **RULES AND REGULATIONS** -- The rules and regulations attached hereto as Exhibit "D" and made a part hereof by reference concerning the use of the Condominium property including the units may be amended from time to time by the Board of Directors. Copies of the regulations and amendments shall be furnished by the Association to all unit owners. No new or amended regulation may be enforced prior to distribution to the owners. Changes in the rules and regulations must be recorded in the public records.

12.3. **USE AND OCCUPANCY OF THE UNITS**, at any one time, for the residential unit, is restricted to one family (whether owner or tenant) and their guests per unit only.

12.4. **ACCESS TO UNITS** -- The Association has an irrevocable right of access to the units during reasonable hours when necessary for the purpose of maintenance, repair, and replacement of the common elements or of any portion of a unit to be maintained by the Association pursuant to this Declaration or for making emergency repairs that are necessary to prevent damage to the common elements or to another unit or units. The owner of a unit has a right of access to any adjoining unit as and if it is reasonably necessary in order to maintain, repair, or replace parts of the owner's unit. The right of access to a unit shall be exercised after reasonable notice to the unit owners, unless such notice is not possible or practical under the circumstances, and with due respect for the occupants' rights to privacy and freedom from unreasonable annoyance, with reasonable precautions to protect the personal property within the unit. The Association requires and shall retain a passkey to all units. No unit owner shall install or alter any lock that prevents access while the unit is unoccupied without providing the Association with a key.

12.5. **PETS -- TENANTS AND GUESTS** -- Pets shall be as allowed and regulated in the rules and regulations (Exhibit "D"). However, tenants and guests shall not be permitted to have pets.

12.6 **NUISANCES PROHIBITED** -- No person shall engage in any practice,

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exhibit any behavior, nor permit any condition to exist that will constitute a nuisance or become a reasonable source of annoyance or disturbance to any occupant of the Condominium.

13. LEASE, CONVEYANCE, DISPOSITION -- The purpose and object of this paragraph is to maintain a quiet, tranquil atmosphere with the residents working in compatible coexistence with other financially responsible persons who are of like mind and acceptable both in character and comportment. This objective is considered to be both important and justified because of the necessity of sharing facilities and because of the large personal financial investment of each owner.

13.1. ASSOCIATION APPROVAL NOT REQUIRED -- No Association approval is required for sale or lease of a unit. However, leases and rentals are subject to the following requirements:

13.2. LEASES AND RENTALS—All leases or other rental agreements must provide, and if they do not, shall be deemed to provide, the agreement of the lessee(s) to abide by all of the Covenants of the Condominium and Community Association's documents and that a violation of the documents is a material breach of the lease and is grounds for damages, termination, and eviction, and that the lessee and the owner agree that the Association may proceed directly against such lessee(s) and that the lessee(s) shall be responsible for the Association's costs and expenses, including attorneys' fees, at all trial and appellate levels. If such costs and fees are not immediately paid by the lessee(s), the unit owner shall pay them and such funds shall be secured as a charge. Each unit owner irrevocably appoints the Association as owner's agent authorized to bring actions in owner's name and at owner's expense including injunction, damages, termination and eviction. The rules and regulations must be provided to the lessee(s) by or on behalf of the unit owner at or before the commencement of the lease term.

13.3. TRANSIENT RENTALS -- This is defined as a residential rental for less than 28 days. Same may not be done in this Condominium unless or until transient rental has been approved by unanimous vote of all units and a valid transient license has been obtained from the City of Key West. Without such approval and license, all residential rentals must be for periods of at least 29 consecutive days.

13.4. LONG-TERM RENTALS—This is defined as any rental for more than 29 days at any one time and is allowed. However, the owner of the unit will be expected to require all tenants to abide by the rules of the Association and be a good neighbor. If any tenant shall fail to do so, it shall be the responsibility of the unit owner to take appropriate action, including eviction of the tenant if that is the warranted response.

14. COMPLIANCE AND DEFAULT -- Each unit owner, tenant, and other invitee shall be governed by, and shall comply with, the provisions of the Condominium Act as amended from time to time, this Declaration, including its exhibits, the Association Articles of Incorporation, and the Association Bylaws.

14.1. REMEDIES -- Failure to comply shall be grounds for relief, which relief may include, but shall not be limited to, an action to recover damages, or injunctive relief, or both. Actions may be maintained by the Association or by any unit owner.

14.2. COSTS AND FEES -- In any such proceeding, including appeals, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

14.3. OWNER INQUIRIES -- When a unit owner files a written inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The Board's response shall either (a) give a substantive response, (b) notify the inquirer that a legal opinion has been requested from an attorney, or (c) notify the inquirer that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation (hereinafter the "Division"). If advice has been requested from the Division, the Board shall provide a written substantive response to the inquirer within 10 days of receipt of the advice. If a legal opinion is requested, the Board shall

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provide a written substantive response to the inquirer within 60 days of receipt of the inquiry. The failure to provide a substantive response as set forth above precludes the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceedings, or arbitration arising out of the complaint. If unresolved, a dispute, as defined in F.S. 718.1255(1), must be arbitrated in mandatory nonbinding arbitration proceedings prior to commencement of litigation. The Board of Directors may adopt reasonable rules and regulations governing the frequency and manner of responding to unit owner inquiries, including a limit of one unit owner inquiry in any 30-day period.

14.4. NO WAIVER OF RIGHTS -- The failure of the Association or any owner to enforce any covenant, restriction, or other provision of the condominium documents shall not constitute a waiver of the right to do so thereafter as to subsequent or other instances.

15. AMENDMENTS -- Amendments to any of the condominium documents shall be in accordance with the following:

15.1. REQUIREMENTS -- An amendment may be proposed either by the Board of Directors or by 33% of the voting interests of the Association, and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the Bylaws, which notice includes the full text of the provision to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of declaration. See provision ____ for present text." Passage shall be evidenced by a certificate executed in recordable form signed by the President or Vice-President of the Association that it has been enacted by the affirmative vote of the required percentage of the voting interests (which vote may include later written approval of voters not present) and the separate written joinder of mortgagees where required and shall include the recording date (identifying the location of the Declaration as originally recorded) and which shall become effective when recorded in the public records.

15.2. CORRECTORY AMENDMENT -- Whenever it shall appear that there is a defect, error, or omission in any of the Condominium documents or in order to comply with applicable laws or requirements of government entities, the amendment may be adopted by the Board of Directors alone.

15.3. REGULAR AMENDMENTS -- Amendments may be enacted by a favorable vote of the owners of 66.7% of the voting interests in the Association.

15.4. MERGER AMENDMENT -- In the event that this Condominium should desire to merge with one or more other Condominiums within the City of Key West, Florida, it may do so on the affirmative vote of 100% of the voting interests in this Condominium and the approval of all record owners of liens.

15.5. DEVELOPER AMENDMENTS -- Until relinquishment of Developer control of the Association (turnover) and except as otherwise provided by law in F.S. 718.110(2), the Developer specifically reserves the right, without the joinder of any person, to make such amendments to the Declaration and its exhibits, or to the plan of development, as may be required by any lender or governmental authority, or as may be, in Developer's judgment, necessary or desirable. This paragraph shall take precedence over any other provision of the Declaration or its exhibits.

15.6. MORTGAGEE APPROVAL -- Amendments materially affecting the rights or interests of mortgagees must have the approval of the holders of institutional first mortgages of record representing 66.7% of the votes of units subject to such mortgages who have requested the Association to notify them on any proposed action specified in this paragraph. Such consent may not be unreasonably withheld. Implied approval shall be assumed when such holder fails to respond to any written request for approval within 30 days after the mortgage holder receives proper notice of

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the proposal, provided the notice was delivered certified or registered mail with a "Return Receipt" requested. In the event that mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the Association and recorded in the Public Records of Monroe County, Florida. A change to any of the following shall be considered as material:

- a. Any change in the proportion or percentage by which the owner of the unit shares the common expenses and owns the common surplus
- b. Reallocation of interests or use rights in the common elements
- c. Redefinition of any unit boundaries
- d. Convertibility of units into common elements or vice versa
- e. Expansion or contraction of the Condominium

15.7. DEVELOPER'S RIGHTS -- No amendment to this Declaration or any of the Condominium documents shall change the rights and privileges of the Developer without the Developer's written approval as long as the Developer holds any units for sale in the ordinary course of business.

15.8. WRITTEN AGREEMENTS -- Any approval of unit owners on any matter called for by this Declaration, its exhibits, or any statute to be taken at a meeting of unit owners is hereby expressly allowed to be taken instead by written agreement, without a meeting (which agreement may be in counterparts), subject to F.S. 718.112(2)(d)4 and F.S. 617.0701.

16. TERMINATION -- Notwithstanding the fact that the Articles of Incorporation of the 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. provides that the association shall have perpetual existence, the owners of the units may in the future choose to terminate the Condominium in accordance with this Section. Except for termination in connection with a merger of this Condominium with another, as provided for in Paragraph 15.4. above, the termination of the Condominium shall be carried out in accordance with the following:

16.1. BY AGREEMENT -- The Condominium may be caused to be terminated at any time by written agreement of the owners of all six units, and of the holders of institutional first mortgages as provided for in Paragraph 15.6 above.

16.2. WITHOUT AGREEMENT, ON ACCOUNT OF VERY SUBSTANTIAL DAMAGE -- If the Condominium suffers "very substantial damage" to the extent defined above in Paragraph 11.2.3., and it is not decided as therein provided that the Condominium will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

16.3. PROCESS OF TERMINATION -- Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this paragraph is recorded in the Public Records of Monroe County, Florida.

16.3.1. The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice-President with the formalities of a deed, and certifying as to the facts effecting the termination. The Certificate also shall include the name and address of a Florida financial institution with trust powers or a licensed Florida attorney who is designated by the Association to act as Termination Trustee, and shall be signed by the Trustee indicating willingness to serve in that capacity.

16.3.2. The recording of that Certificate of Termination automatically divests the Association of title to all Association property, and divests all unit owners of legal title to their respective Condominium parcels, and vests legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property that was formerly the Condominium property or Association property, without need for further conveyance. Beneficial title to the former Condominium and Association property shall be transferred to the former unit owners as tenants in common, in the same undivided shares as each owner previously owned in the common elements, without further conveyance. Each lien encumbering a Condominium parcel shall be automatically transferred to the equitable interest in the former Condominium property and Association property

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attributable to the unit encumbered by the lien, with the same priority.

16.4. WINDING UP OF ASSOCIATION AFFAIRS -- The termination of the Condominium does not, by itself, terminate the Association. The former unit owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, and in the Articles of Incorporation and Bylaws, to the extent necessary to, and for the sole purpose of, winding up the affairs of the Association in accordance with this paragraph.

16.5. TRUSTEE'S POWERS AND DUTIES -- The Termination Trustee shall hold legal title to the property for the benefit of the former unit owners and their successors, assigns, heirs, devisees, mortgagees, and other lien holders, as their interests shall appear. If the former unit owners approve a sale of the property as provided in this paragraph, the Termination Trustee shall have the power and authority to convey title to the purchaser, and to distribute the proceeds in accordance with the provisions of this paragraph. The Termination Trustee may charge a reasonable fee for acting in such capacity, and such fee as well as all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former Condominium and Association property, and shall constitute a lien on the property superior to any other lien. The Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or malfeasance. The Termination Trustee may rely on the written instructions and information provided to it by the officers, directors, and agents of the Association, and shall not be required to inquire beyond such information and instructions.

16.6. PARTITION; SALE -- Following termination, the former Condominium property and Association property may be partitioned and sold on the application of any unit owner. If following a termination at least 66.7% of the voting interests agree to accept an offer for the sale of the property, the Board of Directors shall notify the Termination Trustee, and the Trustee shall complete the transaction. In that event, any action for partition of the property shall be held in abeyance pending the sale, and on the consummation of the sale shall be discontinued by all parties thereto. If the unit owners have not authorized a sale of the former Condominium and Association property within one year after the recording of the Certificate of Termination, the Trustee may proceed to sell the property without agreement by the Association or the former unit owners. The net proceeds of the sale of any of the property or assets of the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

16.7. NEW CONDOMINIUM -- The termination of the Condominium does not bar creation of another Condominium including all or any portion of the property.

16.8. PROVISIONS SURVIVE TERMINATION -- The provisions of this Paragraph 16 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the Bylaws and Articles of Incorporation, and shall have the power to levy assessments to pay the costs and expenses of the Trustee and of maintaining the property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former Condominium property, are common expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former unit owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

17. PROVISIONS PERTAINING TO THE DEVELOPER -- As long as the Developer holds any unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

17.1. Assessment of the Developer as a unit owner for capital improvements.

17.2. Any action by the Association that would be detrimental to the sale of units or the completion of the project by the Developer, including such use of unsold units and common

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elements and Association property as may facilitate completion, sale, maintenance of a sales office, showing of the property, and display of signs.

17.3 From the date of recordation of the Declaration until the earlier of December 31, 2007, or the date of the meeting at which transfer of the Association from Developer to the unit owners occurs, the assessment for common expenses imposed on the owner(s) of a unit will not exceed the amounts shown on the Budget for 2007. During this period, Developer shall be excused from the payment of its pro rata share of the assessments for all units it owns; however, Developer shall pay any amount of common expenses incurred that exceeds assessments collected from unit owners other than Developer while the period is in effect.

18. RIGHTS OF MORTGAGEES

18.1. PARTIAL EXCUSAL FROM PRIOR ASSESSMENTS -- A first mortgagee who acquires title to a unit by purchase at a foreclosure sale or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed, but in no event shall the mortgagee be liable for more than six months of the unit's unpaid common expenses or assessments accrued before the acquisition of the title to the unit by the mortgagee or 1% of the original mortgage debt, whichever amount is less. This provision shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Such mortgagee may obtain title, own, occupy, lease, sell, or otherwise dispose of such unit without the approval of the Association. This paragraph shall be deemed amended so as to remain in conformity with the provisions of F.S. 718.116 as it is amended from time to time.

18.2. RIGHTS TO INFORMATION -- On receipt by the Association from any institutional mortgagee, guarantor, or insurer of a copy of the mortgage held by such mortgagee, guarantor, or insurer on a unit, together with a written request from such mortgagee or an insurer or guarantor of such mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such mortgagee, insurer, or guarantor the following, for which the Association may charge a reasonable fee:

18.2.1. FINANCIAL STATEMENTS -- A copy of a financial statement of the Association for the immediately preceding fiscal year; and

18.2.2. INSURANCE CANCELLATION -- Written notice of the cancellation or termination by the Association of any policies of insurance covering the Condominium or Association property or any improvements thereon, or any fidelity bonds of the Association except when the reason for the termination or cancellation of the insurance policy or bond is to change insurance companies or because the policy or bond is not needed or is not available; and

18.2.3. DAMAGE TO CONDOMINIUM -- Written notice of any damage or destruction to the improvements located on the common elements or Association property that affects a material portion of the common elements or Association property or the unit securing its mortgage; and

18.2.4. EMINENT DOMAIN -- Written notice of a condemnation or eminent domain proceeding affecting a material portion of the Condominium property or the unit securing its mortgage; and

18.2.5. DELINQUENT ASSESSMENTS -- Written notice of failure by the owner of a unit encumbered by a first mortgage held by such institutional mortgagee, guarantor, or insurer to pay any assessments when such failure or delinquency has continued for a period of 60 days or longer.

18.2.6. FAILURE TO NOTIFY -- The failure of the Association to send any such notice to any such mortgagee, guarantor, or insurer shall have no effect on any meeting, action, or thing that was to have been the subject of such notice nor affect the validity thereof and shall not be the basis for liability on the part of the Association.

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19. **ENFORCEMENT OF ASSESSMENT LIENS** -- Liens for assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property and the Association also may bring an action to recover a money judgment. After a judgment of foreclosure has been entered, the unit owner during occupancy, if so ordered by the Court, shall be required to pay a reasonable rental. If the unit is rented or leased during the pendency of a foreclosure action, the Association shall be entitled to the appointment of a receiver to collect the rent. The Association shall have all the powers provided in F.S. 718.116 and shall be entitled to collect interest at the highest lawful rate (currently 18% per annum) on unpaid assessments and reasonable attorneys' fees, including appeals, and costs incident to the collection of such assessment or enforcement of such lien, with or without suit.

19.1. **CREATION AND ENFORCEMENT OF CHARGES** -- The Association shall have a cause of action against unit owners to secure payment to the Association by unit owners of all charges, costs, and expenses to the Association that cannot be secured as assessments, regular or special, under F.S. 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with it costs and attorneys' fees, including appeals, incurred in collection.

20. **COMMON EXPENSES AND COMMON SURPLUS** -- Each unit's share shall be that share of the whole set forth in Exhibit "F" and in Section 7.1 herein, above.

21. **CONDEMNATION:**

21.1. **DEPOSIT OF AWARDS WITH ASSOCIATION** -- The taking of all or any part of the Condominium property by condemnation or eminent domain shall be deemed to be a casualty to the portion taken and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to unit owners, the unit owners shall deposit the awards with the Association; and if any fail to do so, a special charge shall be made against a defaulting unit owner in the amount of his award, or the amount of that award shall be set off against any sums payable to that owner.

21.2. **DETERMINATION WHETHER TO CONTINUE CONDOMINIUM** -- Whether the Condominium will be continued after condemnation will be determined in the manner provided in Paragraph 11 above for determining whether damaged property will be reconstructed and repaired after a casualty.

21.3. **DISBURSEMENT OF FUNDS** -- If the Condominium is terminated after condemnation, the proceeds of all awards and special assessments will be deemed to be Condominium property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of condemned units, if any, will be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special charges shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty.

21.4. **ASSOCIATION AS AGENT** -- The Association is hereby irrevocably appointed as each unit owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation for the taking.

21.5. **UNITS REDUCED BUT TENANTABLE** -- If the taking reduces the size of a unit and the remaining portion of the unit can be made tenantable, the awards for the taking of a portion of that unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

21.5.1. **RESTORATION OF UNIT** -- The unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the owner of the unit;

21.5.2. **DISTRIBUTION OF SURPLUS** -- The balance of the award, if any, shall be distributed to the owner of the unit and to each mortgagee of the unit, the remittance being

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made payable jointly to the owner and mortgagees.

21.6. UNIT MADE UNTENANTABLE -- If the taking is of any entire unit or so reduces the size of a unit that it cannot be made tenantable, the award for the taking of the unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

21.6.1. PAYMENT OF AWARD -- The fair market value of the unit immediately prior to the taking, as determined by agreement between the unit owner and the Association or by arbitration in accordance with Paragraph 21.6.4., shall be paid to the owner of the unit and to each mortgagee of the unit, the remittance being made payable jointly to the owner and the mortgagee(s);

21.6.2. ADDITION TO COMMON ELEMENTS -- If possible and practical, the remaining portion of the unit shall become a part of the common elements and shall be placed in condition for use by all unit owners in the manner approved by the Board of Directors;

21.6.3. ADJUSTMENT OF SHARES IN COMMON ELEMENTS -- The shares in the common elements appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the ownership of the common elements among the reduced number of unit owners. This shall be done by restating the shares of continuing unit owners in the common elements as percentages of the total remaining square footage of units calculated as provided in Exhibit "F" to this Declaration;

21.6.4. ARBITRATION -- If the fair market value of a unit prior to the taking cannot be determined by agreement between the unit owner and the Association within 30 days after notice by either party, the value shall be determined by appraisal in accordance with the following. The unit owner, the first mortgagee, if any, and the Association shall each appoint one M.A.I. appraiser, who shall appraise the unit and shall determine the fair market value by computing the arithmetic average of their appraisals of the unit. A judgment of specific performance on the value arrived at by the appraisers may be entered in any court of competent jurisdiction. The cost of appraisals shall be paid by the party selecting the appraiser.

21.7. TAKING OF COMMON ELEMENTS -- Awards for the taking of common elements shall be used to make the remaining portion of the common elements usable in the manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the unit owners in the shares in which they own the common elements after adjustment of these shares on account of the condemnation. If a unit is mortgaged, the remittance shall be paid jointly to the owner and mortgagee(s) of the unit.

21.8. AMENDMENT OF DECLARATION -- Changes in the units, in the common elements, and in the ownership of the common elements that are necessitated by condemnation shall be evidenced by an amendment of the Declaration of Condominium as ordered by a court or approved by a majority of unit owners (voting interests) of this Condominium, without the consent of any mortgagee being required for any such amendment.

22. VOTING -- On all matters on which the Unit Owners shall be entitled to vote, there shall be only one (1) voting interest (or vote) for each Unit in the Condominium, which vote may be cast by the owner of each Unit or the person designated in the Voting Certificate of the Unit. Should any person own more than one Unit, such person shall be entitled to cast one (1) vote for each Unit owned. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes including the determination of the number of Directors of the Association and the selection of those Directors, unless the Act, the Declaration, the Articles, or the Bylaws require a larger percentage, in which case that larger percentage shall control.

23. SEVERABILITY AND NONWAIVER -- If any provision of this Declaration or its exhibits as now constituted or as later amended or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances, is held invalid, the validity of the remainder and of

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the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby. The failure of the Association in any instance to enforce any covenant or provision of this Declaration or any of the Condominium documents shall not constitute a waiver of its right to do so thereafter in other instances.

24. **WARRANTIES FROM DEVELOPER TO FIRST PURCHASER:** The Unit shall be transferred subject only to the implied warranties of fitness and merchantability set forth in §718.203, Florida Statutes. No other warranties, express or implied, are made by Developer and other warranties hereby specifically are disclaimed. However, the Developer will establish and fund a Converter Reserve Account for capital expenditures and deferred maintenance. Upon the closing of the sale of any unit, the Developer will fund the converter reserve accounts by immediately depositing a certain amount into the Reserve Account. The amount deposited by the Developer into the Converter Reserve Account will be as stated in the 2007 Budget and shall be deposited at the time of the closing of the sale of each of the units.

The Developer will comply with all other provisions of §718.618, Florida Statutes, in regard to the funding of the Converter Reserve Account.

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into this 8th day of JUNE, 2007.

DANIEL DEUTSCH, JUDITH DEUTSCH, MARC DOCTORS AND MARY ELIZABETH DOCTORS
Developer

BY: Daniel Deutsch
Individually and as Attorney in Fact for Judith Deutsch, Marc Doctors and Mary Elizabeth Doctors

WITNESSES:

Diane T. Covan
Signature of First Witness

DIANE T COVAN
Printed Name of First Witness

Juan Deutsch
Signature of Second Witness

Juan Deutsch
Printed Name of Second Witness

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF MONROE

The foregoing instrument was acknowledged before me this 8 day of JUNE, 2007, by DANIEL DEUTSCH (individually and as attorney in fact for JUDITH DEUTSCH, MARC DOCTORS AND MARY ELIZABETH DOCTORS), who is personally known to me.

Diane T. Covan
Notary Public

My commission expires:



DIANE TOLBERT COVAN
MY COMMISSION # DD 493413
EXPIRES: December 12, 2009
Bonded Thru Budget Notary Services



Doc# 1648725
Bk# 2302 Pg# 1406

FLORIDA DEPARTMENT OF STATE
Division of Corporations

April 18, 2007

DIANE TOLBERT COVAN, ATTORNEY AT LAW
1901 FOGARTY AVENUE
SUITE 1
KEY WEST, FL 33040

The Articles of Incorporation for 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. were filed on April 17, 2007 and assigned document number N07000003874. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: Compliance with the following procedures is essential to maintaining your corporate status. Failure to do so may result in dissolution of your corporation.

A corporation annual report must be filed with this office between January 1 and May 1 of each year beginning with the calendar year following the year of the filing/effective date noted above and each year thereafter. Failure to file the annual report on time may result in administrative dissolution of your corporation.

A federal employer identification (FEI) number must be shown on the annual report form prior to its filing with this office. Contact the Internal Revenue Service to insure that you receive the FEI number in time to file the annual report. To obtain a FEI number, contact the IRS at 1-800-829-3676 and request form SS-4 or by going to their website at www.irs.ustreas.gov.

Should your corporate mailing address change, you must notify this office in writing, to insure important mailings such as the annual report notices reach you.

Should you have any questions regarding corporations, please contact this office at the address given below.

Ruby Dunlap, Regulatory Specialist
New Filing Section

Letter Number: 507A00025982

P.O. BOX 6327 -Tallahassee, Florida 32314

Doc# 1648725
Bk# 2302 Pg# 1407

State of Florida



Department of State

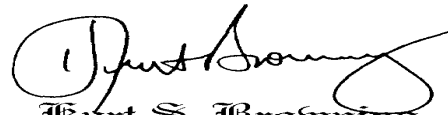
I certify the attached is a true and correct copy of the Articles of Incorporation of 616 CAROLINE CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on April 17, 2007, as shown by the records of this office.

The document number of this corporation is N07000003874.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Eighteenth day of April, 2007



CR2EO22 (01-07)


Kurt S. Browning
Secretary of State

ARTICLES OF INCORPORATION
OF
616 CAROLINE CONDOMINIUM ASSOCIATION, INC.

07 APR 17 PM 4:45
TALLAHASSEE, FLORIDA

The undersigned, by these Articles, hereby form this not-for-profit corporation under the laws of the State of Florida, pursuant to Chapter 718, Florida Statutes, and certify as follows:

ARTICLE I
NAME

Doc# 1648725
Bk# 2302 Pg# 1408

The name of the corporation shall be 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. For convenience, the Corporation shall be referred to in this instrument as "the Association".

ARTICLE II
PURPOSES AND POWERS

The Association does not contemplate pecuniary gain or profit to the members thereof. The specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the condominium units and common elements within that certain Condominium more particularly described in the Declaration of Condominium for 616 CAROLINE CONDOMINIUM (hereinafter, the "Declaration of Condominium"), and to promote the health, safety and welfare of the residents within the Condominium and any additions. In order to effectuate these purposes, the Association shall have the power to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration of Condominium, which powers and privileges include, but are not limited to, the following:

1. To fix, levy, collect, and enforce payment by any lawful means all appropriate charges or assessments;
2. To pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes and governmental charges levied or imposed against the Common Elements;
3. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of the Common Elements on behalf of the membership of the Association;
4. To borrow money and mortgage, pledge, or hypothecate any or all of the Common Elements as security for money borrowed or debts incurred;
5. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes; and
6. To have and to exercise any and all powers, rights and privileges which a corporation

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 2

organized under the Florida Not-For-Profit Corporation Law may now or hereafter have or exercise.

ARTICLE III
MEMBERSHIP AND VOTING

Doc# 1648725
Bk# 2302 Pg# 1409

- A. Membership. Every person or entity who is a record owner of any Unit in the Condominium shall be a member of the association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Change of membership in the Association shall be established by recording in the Public Records of Florida, a deed or other instrument establishing a record title to any Unit in a transferee and the delivery to the Association of a certified copy of such instrument. Upon such delivery, the transferee designated by such instrument shall become a member of the Association and the membership of the transferor shall be terminated.
- B. Appurtenance to Unit. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his/her unit.
- C. Voting Rights. Each Owner shall be entitled to one vote for each Unit owned. When more than one person holds an interest or interests in any Unit, the vote for such Unit shall be limited to one vote as the Owners among themselves determine. The manner of exercising voting rights shall be determined by the By-Laws of the Association.
- D. Meetings. The By-Laws shall provide for meetings of the members.

ARTICLE IV
BOARD OF DIRECTORS/ADMINISTRATORS

- A. Membership of Board. The affairs of the Association shall be managed by a Board consisting of the number of Directors (sometimes referred to as "Administrators") determined by the By-Laws, but not fewer than three (3) Directors all of whom must be Members of the Association.
- B. Election and Removal. Directors shall be elected or appointed at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.
- C. First Board of Directors / Administrators. The names and addresses of the persons who shall act in the capacity of Directors (Administrators) until their successors shall be elected and qualified are as follows:

NAME

ADDRESS

Doc# 1648725
Bk# 2302 Pg# 1410

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 3

DANIEL DEUTSCH
JUDITH DEUTSCH
MARC DOCTORS
MARY DOCTORS

8023 Fenway Road, Bethesda, MD 20817
8023 Fenway Road, Bethesda, MD 20817
3523 Quesada Street, NW, Washington, DC 20015
3523 Quesada Street, NW, Washington, DC 20015

The Administrators named above shall serve until the first election of Administrators, as determined by the By-Laws and any vacancies in their number occurring before the first election of Administrators shall be filled by act of the remaining Administrators.

ARTICLE V OFFICERS

The affairs of the Association shall be administered by the officers designated in the By-Laws. After the first election of Administrators, the Officers shall be elected by the Board at the first Board meeting following the annual meeting. Administrators shall serve at the pleasure of the Board. The names and addresses of the officers who shall serve until their successors are designated by the Board are as follows:

President:	DANIEL DEUTSCH
Vice President	JUDITH DEUTSCH
Secretary:	MARC DOCTORS
Treasurer:	MARY DOCTORS

ARTICLE VI INDEMNIFICATION

- A. Indemnitees. The Association shall indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the Association) by reason of the fact that Indemnatee is or was a director, officer, employee or agent (each, an "Indemnatee") of the Association, against liability incurred in connection with such proceeding, including any appeal thereof, if Indemnatee acted in good faith and in a manner Indemnatee reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which Indemnatee reasonably believed to be in, or not opposed to, the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Doc# 1648725
Bk# 2302 Pg# 1411

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 4

- B. **Indemnification.** The Association shall indemnify any person, who was or is a party to any proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that Indemnatee is or was a director, officer, employee, or agent of the Association against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner Indemnatee reasonably believed to be in, or not opposed to, the best interests of the Association, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- C. **Indemnification for Expenses.** To the extent that a director, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any proceeding referred to in subsection A or B, or in defense of any claim, issue, or manner therein, Indemnatee shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.
- D. **Determination of Applicability.** Any indemnification under subsection A or subsection B, unless pursuant to a determination by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances because Indemnatee has met the applicable standard of conduct set forth in subsection A or subsection B. Such determination shall be made:
1. By the Board of Directors by a majority vote of quorum consisting of Directors who were not parties to such proceeding;
 2. If such a quorum is not obtainable, even if obtainable, by majority vote of a Committee duly designated by the Board of Directors (in which Directors who are parties may participate) consisting solely of two or more Directors not at the time parties to the proceeding;
 3. By independent legal counsel:
 - a. Selected by the non-party Board of Directors or committee prescribed above; or
 - b. If a quorum of the non-party Directors cannot be obtained and the non-party Committee cannot be designated as provided above (in which Directors who are parties may participate); or

Doc# 1648725
Bk# 2302 Pg# 1412

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 5

4. By a majority of the voting interests of the members of the Association who were not parties to such proceeding.
- E. Determination Regarding Expenses. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible however, if the determination of permissibility is made by independent legal counsel, persons specified by paragraph D.1 shall evaluate the reasonableness of expenses and may authorize indemnification.
- F. Advancing Expenses. Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the Association in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if Indemnitee is ultimately found not to be entitled to indemnification by the Association pursuant to this section. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions that the Board of Directors deems appropriate.
- G. Exclusivity: Exclusions. The indemnification and advancement of expenses provided pursuant to this section are not exclusive, and the Association may make any other or further indemnification or advancement of expenses of any of its directors, officers, employees, or agents, under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office. However, indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his/her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:
 1. A violation of the criminal law, unless the director, officer, employee, or agent had reasonable cause to believe his/her conduct was lawful or had no reasonable cause to believe his/her conduct was unlawful;
 2. A transaction from which the director, officer, employee, or agent derived an improper personal benefit; or
 3. Willful misconduct or a conscious disregard for the best interests of the Association in a proceeding by or in the right of the Association to procure a judgment in its favor or in a proceeding by or in the right of the members of the Association.
- H. Continuing Effect. Indemnification and advancement of expenses as provided in this section shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless

otherwise provided when authorized or ratified.

Doc# 1648725
Bk# 2302 Pg# 1413

- I. Application to Court. Notwithstanding the failure of the Association to provide indemnification, and despite any contrary determination of the Board or of the members in the specific case, a director, officer, employee, or agent of the Association who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice that it considers necessary, may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement of expenses, if it determines that:
1. The director, officer, employee or agent is entitled to mandatory indemnification under subsection C, in which case the court shall also order the Association to pay the director reasonable expenses incurred in obtaining court-ordered indemnification or advancement of expenses;
 2. The director, officer, employee, or agent is entitled to indemnification or advancement of expenses, or both, by virtue of the exercise by the Association of its power pursuant to subsection G; or
 3. The director, officer, employee, or agent is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met the standard of conduct set forth in subsection A, subsection B, or subsection G, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed Indemnatee, that Indemnatee did not act in good faith or acted in a manner Indemnatee reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that Indemnatee had reasonable cause to believe his/her conduct was unlawful and (b) such court further specifically determines that indemnification should be denied. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which Indemnatee reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that Indemnatee had reasonable cause to believe that his/her conduct was unlawful.
- J. Definitions. For purposes of this Article, the term “expenses” shall be deemed to include attorneys’ fees, including those for any appeals; the term “liability” shall be deemed to include obligations to pay a judgment, settlement, penalty, fine, and expenses actually and reasonably incurred with respect to a proceeding; the term

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 7

“proceeding” shall be deemed to include any threatened, pending, or completed action, suit, or other type of proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal; and the term “agent” shall be deemed to include a volunteer, the term “serving at the request of the Association” shall be deemed to include any service as a director, officer, employee or agent of the Association that imposes duties on such persons.

- K. Amendment. Anything to the contrary herein notwithstanding, no amendment to the provisions of this Article VI shall be applicable as to any party eligible for indemnification hereunder who has not given his prior written consent to such amendment.

ARTICLE VII
BY-LAWS

Doc# 1648725
Bk# 2302 Pg# 1414

The first By-Laws of the Association shall be adopted by the Board and may be thereafter altered, amended or rescinded in the manner provided in such By-Laws.

ARTICLE VIII
AMENDMENTS

Amendments to the Articles of Incorporation may be considered at any regular or special meeting of the members and may be adopted in the following manner:

1. Notice of the subject matter of a proposed amendment and of the meeting at which a proposed amendment is considered, and said notice shall be made as required by the By-Laws.
2. A resolution for the adoption of a proposed amendment may be proposed either by the Board or by a majority of the voting members. Administrators and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. Such amendments must be approved by not less than sixty-seven percent (67%) of the votes of the voting members.

ARTICLE IX
TERM

The term of the Association shall be perpetual.

ARTICLE X
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the voting members. Upon dissolution of the Association, other than

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 8

incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication shall be refused acceptance, such assets shall be granted, conveyed and assigned to any Florida profit or Florida non-profit corporation to be devoted to such similar purposes.

ARTICLE XI
SUBSCRIBERS

Doc# 1648725
Bk# 2302 Pg# 1415

The name and address of the subscriber of these Articles of Incorporation is as follows:

DIANE TOLBERT COVAN 1901 Fogarty Avenue, Suite 1, Key West, FL 33040

ARTICLE XII
MISCELLANEOUS

- A. Developer's Rights. No amendment of these Articles of Incorporation or the By-Laws shall change Developer's rights and privileges as set forth in the Declaration of Condominium without Developer's prior written approval so long as Developer owns any Unit.
- B. Stock. The Association shall issue no shares of stock of any kind or nature whatsoever.
- C. Severability. Invalidation of any one or more of the provisions hereof shall in no way affect any other provisions, which shall remain in full force and effect.
- D. Principal Office, Registered Office and Registered Agent. The initial principal office shall be 616 Caroline Street, Key West, FL 33040. The initial registered office of the Association shall be: 1901 Fogarty Avenue, #1, Key West, FL 33040. The initial registered agent at that address shall be Diane T. Covan, 1901 Fogarty Avenue, #1, Key West, FL 33040.

IN WITNESS WHEREOF, the subscriber has affixed her signature this 10 day of APRIL, 2007.


DIANE TOLBERT COVAN

Articles of Incorporation – 616 CAROLINE CONDOMINIUM ASSOCIATION, INC. Page 9

STATE OF FLORIDA)

) ss.

COUNTY OF MONROE)

07 APR 17 PM 4:55

TALLAHASSEE, FLORIDA

BEFORE ME, the undersigned authority, a notary public, authorized to administer oaths in the State of Florida, personally appeared DIANE TOLBERT COVAN, who is personally known to me.

NOTARY SEAL

Danielle Dudai

Notary Public, State of Florida

My Commission Expires: 3/22/11



ACKNOWLEDGMENT BY REGISTERED AGENT

Having been named to accept service of process for the above-named corporation at the place designated in these Articles, I hereby agree to act in such capacity and agree to comply with the provisions of all applicable statutes concerning the proper and complete performance of my duties.

Diane Tolbert Covan
DIANE TOLBERT COVAN

Dated: APRIL 10, 2007

Doc# 1648725
Bk# 2302 Pg# 1416

616 CAROLINE CONDOMINIUM

Doc# 1648725
Bk# 2302 Pgs 1417

EXHIBIT TO THE DECLARATION OF CONDOMINIUM OF "616 CAROLINE CONDOMINIUM"

PLOT PLAN, UNIT LOCATION & LEGAL DESCRIPTIONS

Sheet 1 of 14

616 Caroline Condominium			
616 Caroline Street Key West FL. 33040			
CONDOMINIUM SURVEY		Dwg. No. 06-524	
Scale 1"= 10'	Ref.	Flood Panel No. 1516 K	Dwn. By C.M.C
Date 6/6/07	file	Flood Zone AE	Flood Elev. 7'
REVISIONS AND/OR ADDITIONS			
c:\drawings\key west\block 23\616 caroline street			

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

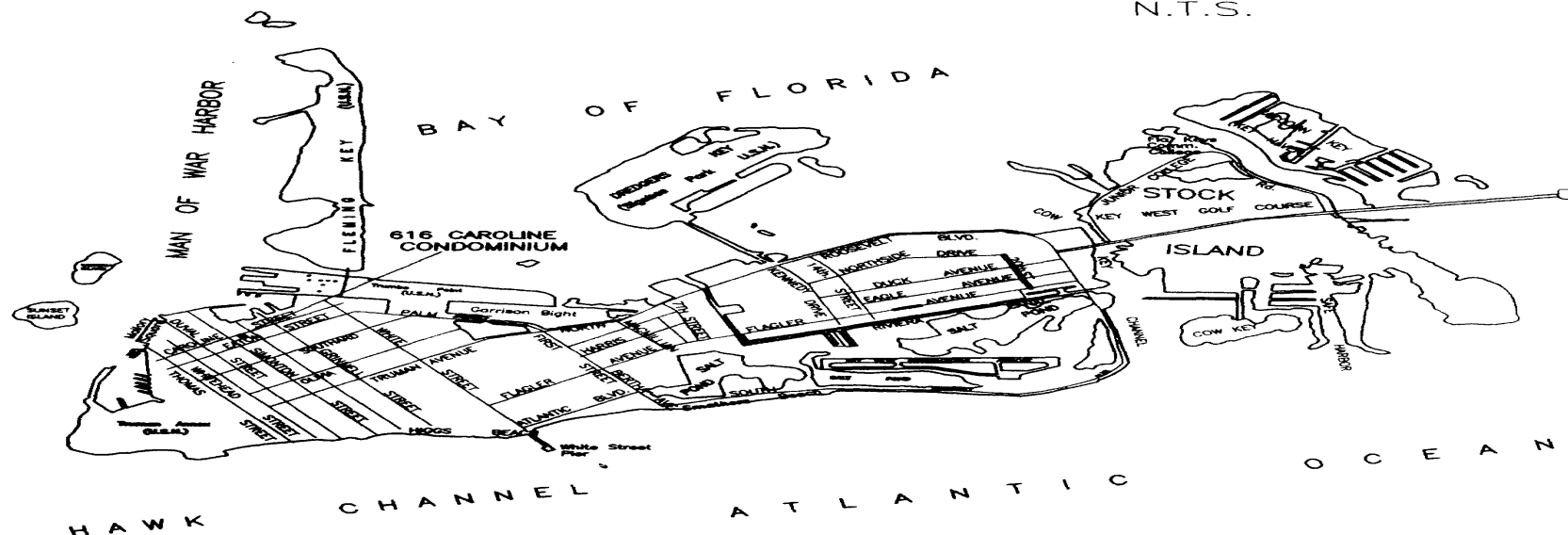
3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax. (305) 293-0237
fhildeb1@bellsouth.net

616 CAROLINE CONDOMINIUM

VICINITY MAP

Doc# 1648725
Bk# 2302 P# 1418

4
N.T.S.



LOCATION MAP

City of Key West &
Stock Island

Sheet 2 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Scale 1" = 10'	Ref.	Flood Panel No. 1516 K	Dwg. No. 06-524
Date 6/6/07	file	Flood Zone AE	Dwn. By C.M.C

REVISIONS AND/OR ADDITIONS

c:\drawings\key west\block 23\616 caroline street

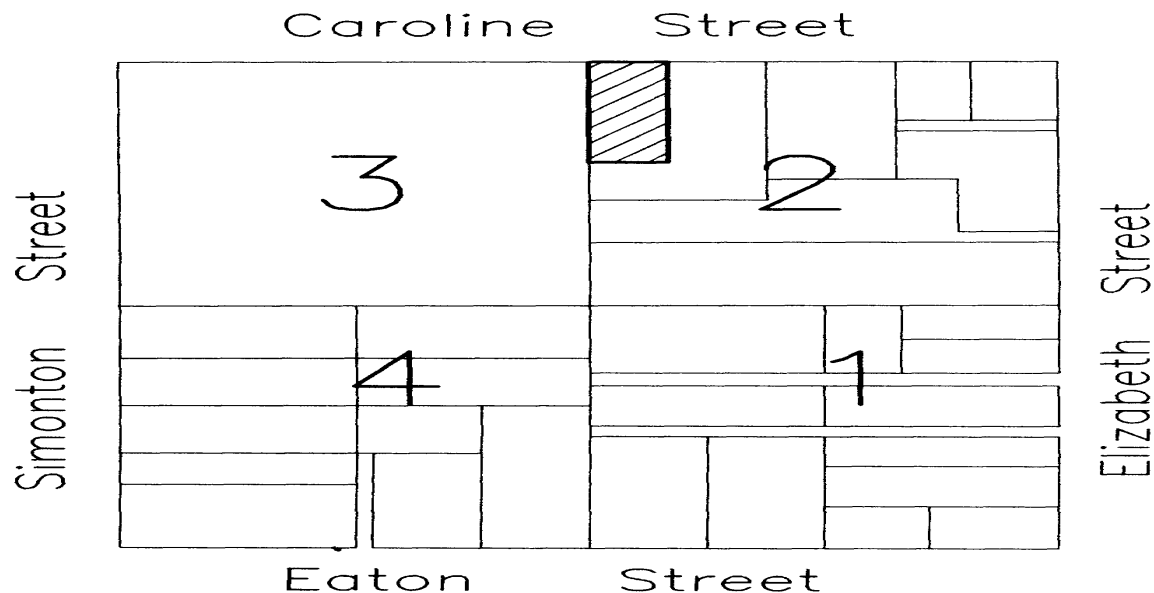
FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax. (305) 293-0237
fhiideb1@bellsouth.net

616 CAROLINE CONDOMINIUM

LOCATION MAP

Doc# 1648725
Bk# 2302 P# 1419



LOCATION MAP

Square 23, City of Key West

Sheet 3 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Dwg. No.
06-524

Scale 1" = 10'

Ref.

Flood Panel No. 1516 K

Dwn. By C.M.C

Date 6/6/07

file

Flood Zone AE

Flood Elev. 7'

REVISIONS AND/OR ADDITIONS

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax: (305) 293-0237
fhildeb1@bellsouth.net

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Doc# 1648725
Bk# 2302 Pg# 1420

Sheet 4 of 14

34/68

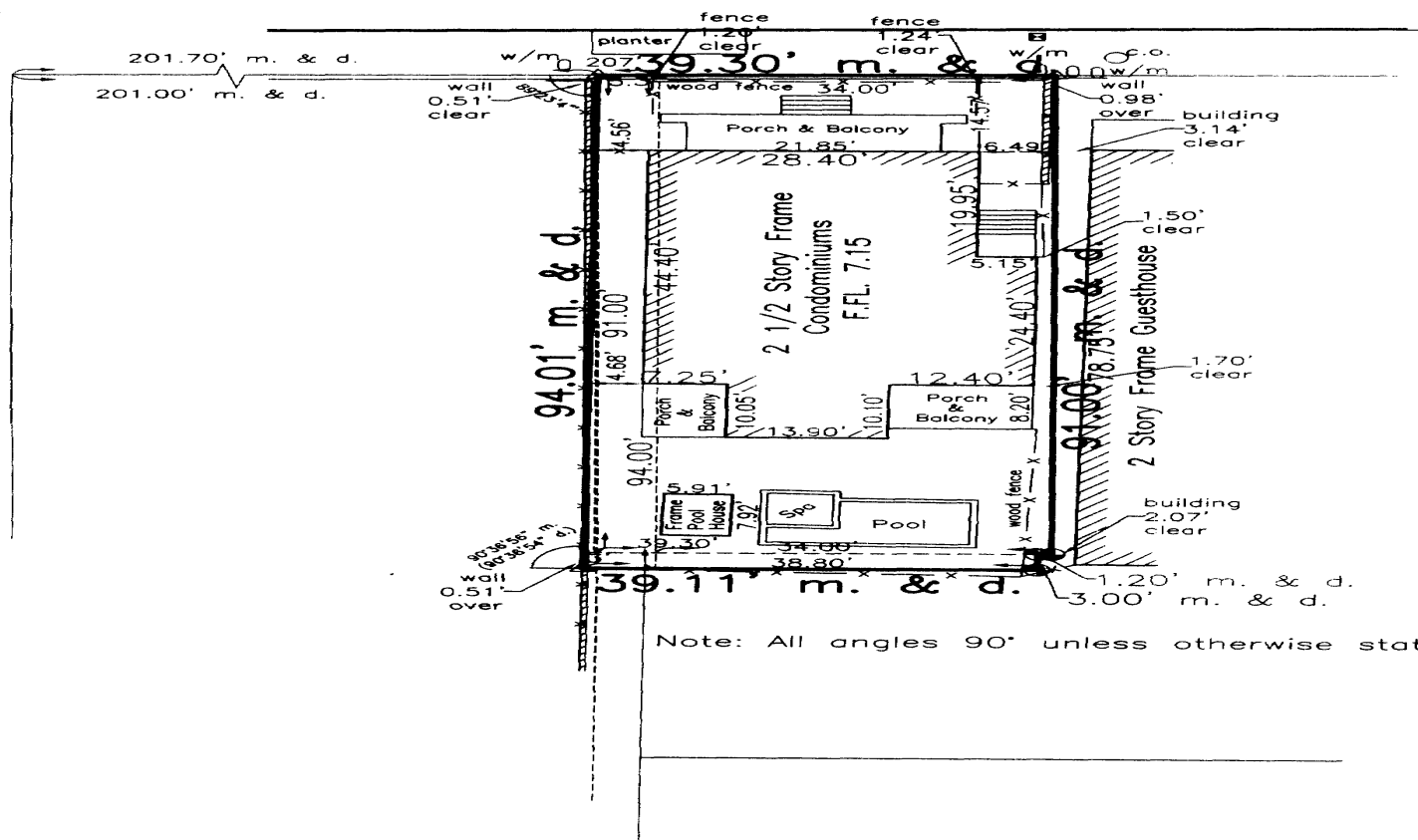
616 CAROLINE CONDOMINIUM

Boundary Survey

Doc# 1648725
Bk# 2302 Pg# 1421

CAROLINE STREET

SIMONTON STREET



Note: All angles 90° unless otherwise stated.

Sheet 5 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Dwg. No.
06-524

Scale 1" = 20'	Ref.	Flood Panel No. 1516 K	Dwn By C.M.C
Date 6/6/07	file	Flood Zone AE	Flood Elev. 7'

REVISIONS AND/OR ADDITIONS

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

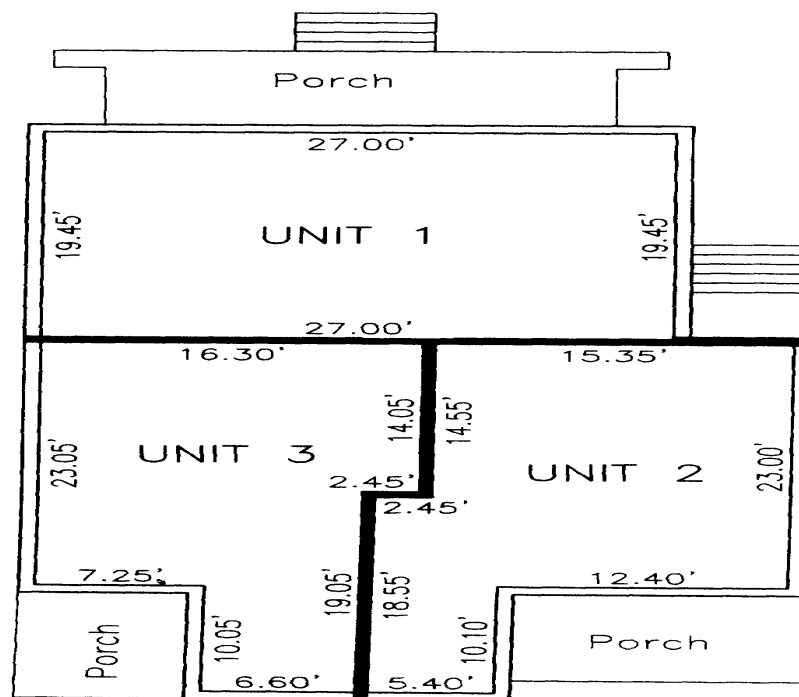
3152 Northside Drive
Suite 201
Key West, FL 33040
(305) 293-0466
Fax: (305) 293-0237
fhildeb1@bellsouth.net

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616 CAROLINE CONDOMINIUM

1st FLOOR PLAN

Doc# 1648725
Bk# 2302 Pg# 1422



Square Footage:

Unit 1: 525 + 160 (deck)
Unit 2: 428 + 101 (deck)
Unit 3: 420 + 72 (deck)

NOTE: Dimensions $\pm 6"$

Sheet 6 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY			Dwg. No. 06-524
Scale 1" = 10'	Ref. file	Flood Panel No. 1516 K	Own. By C.M.C.
Date 6/6/07		Flood Zone AE	Flood Elev. 7'
REVISIONS AND/OR ADDITIONS			
c:\drawings\key west\block 23\616 caroline street			

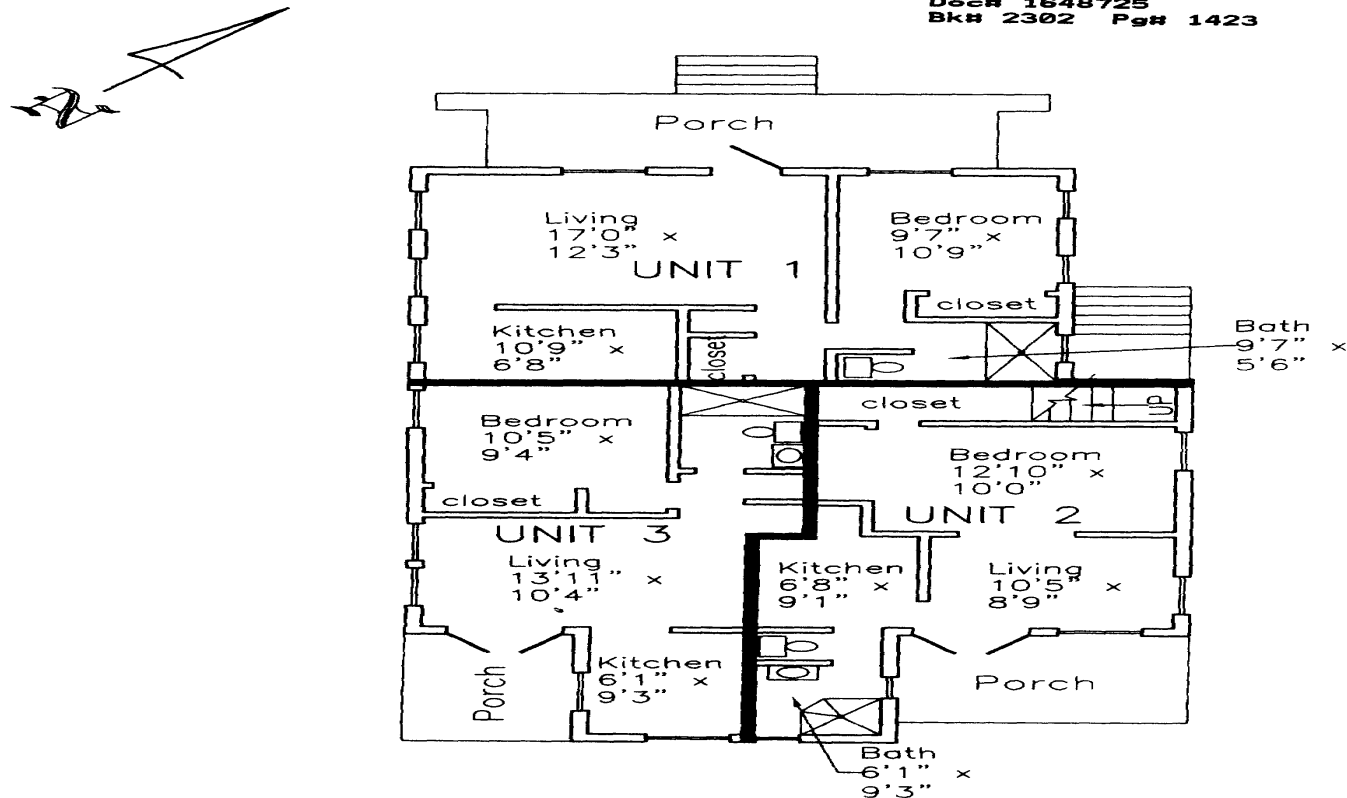
FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax. (305) 293-0237
fhildeb1@bellsouth.net

616 CAROLINE CONDOMINIUM

1st FLOOR LAYOUT

Doc# 1648725
Bk# 2302 P# 1423



NOTE: Dimensions $\pm 6''$

Sheet 7 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Dwg. No.
06-524

Scale 1" = 10' Ref. Flood Panel No. 1516 K Dwn. By C.M.C.
Date 6/6/07 file Flood Zone AE Flood Elev. 7'

REVISIONS AND/OR ADDITIONS

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

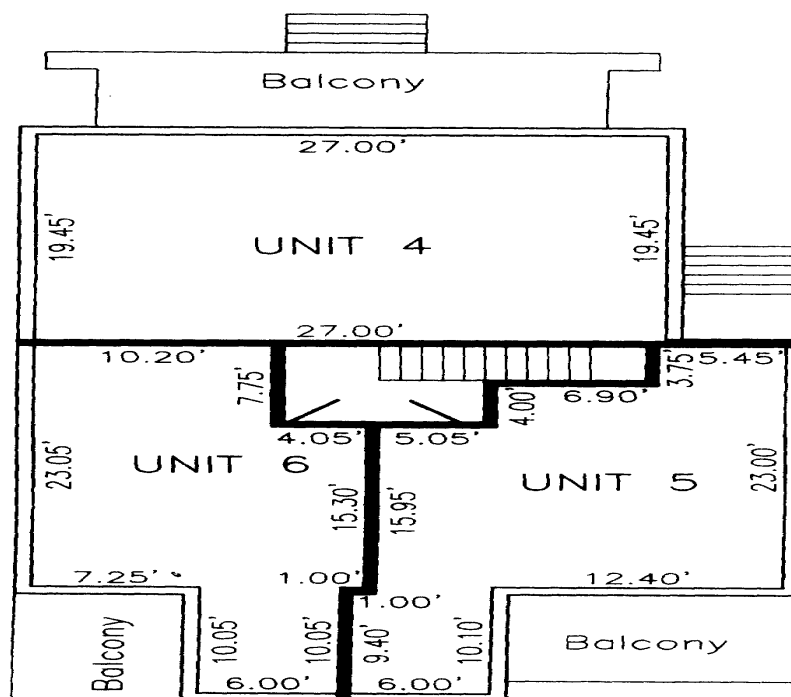
3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax: (305) 293-0237
fhildeb1@bellsouth.net

c:\drawings\key west\block 23\616 caroline street

616 CAROLINE CONDOMINIUM

2nd FLOOR PLAN

Doc# 1648725
Bk# 2302 P# 1424



Square Footage:

Unit 4: 525 + 160 (deck)
Unit 5: 391 + 101 (deck)
Unit 6: 396 + 72 (deck)

NOTE: Dimensions $\pm 6''$

Sheet 8 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Scale 1" = 10'	Ref.	Flood Panel No. 1516 K	Dwg. No. 06-524
Date 6/6/07	file	Flood Zone AE	Dwn. By C.M.C
REVISIONS AND/OR ADDITIONS		Flood Elev. 7'	

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

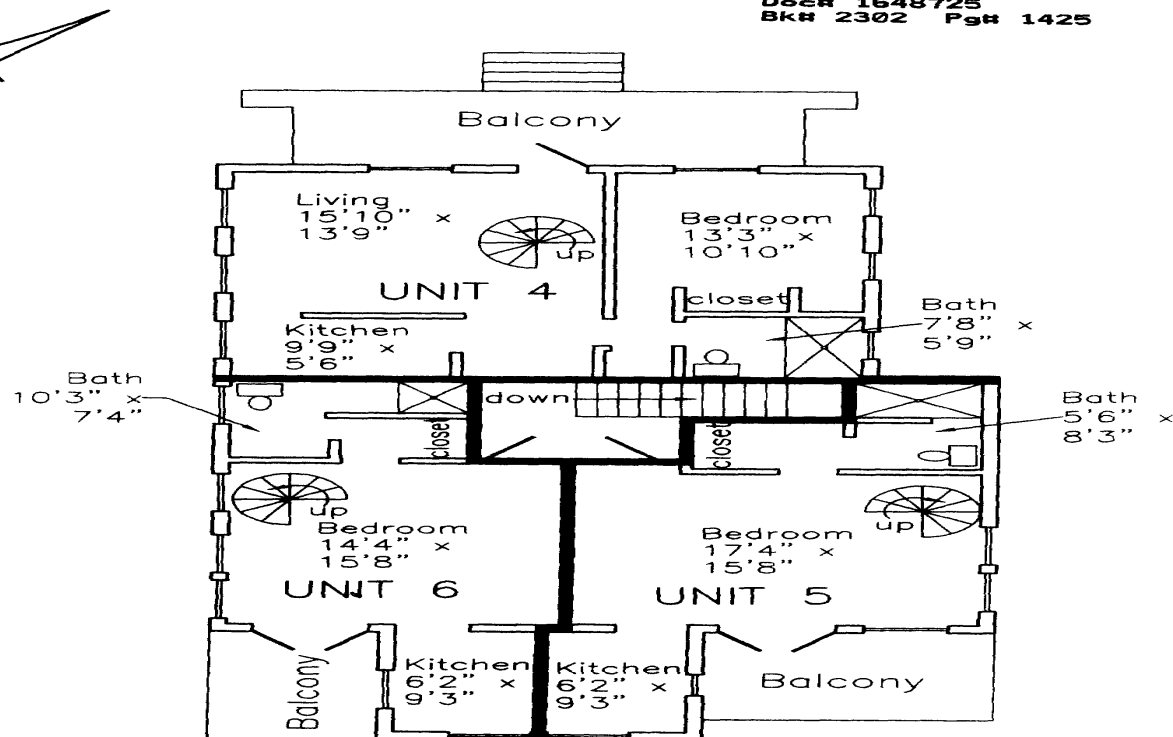
3152 Northside Drive
Suite 201
Key West, FL. 33040
(305) 293-0466
Fax: (305) 293-0237
fhildeb1@bellsouth.net

c:\drawings\key west\block 23\616 caroline street

616 CAROLINE CONDOMINIUM

2nd FLOOR LAYOUT

Doc# 1648725
Bk# 2302 P# 1425



NOTE: Dimensions $\pm 6"$

Sheet 9 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Dwg. No.
06-524

Scale 1" = 10'	Ref. file	Flood Panel No. 1516 K	Dwn. By C.M.C
Date 6/6/07		Flood Zone AE	Flood Elev. 7'

REVISIONS AND/OR ADDITIONS

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

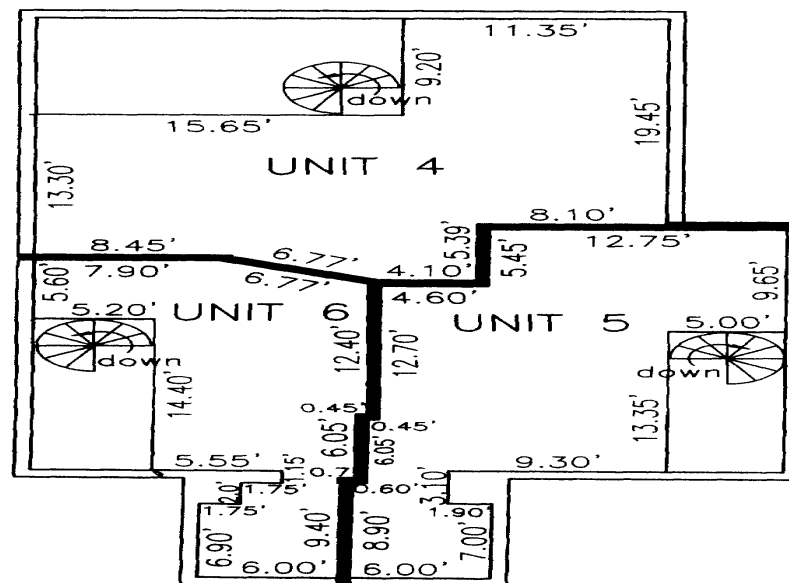
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616 CAROLINE CONDOMINIUM

3rd FLOOR PLAN

Doc# 1648725
Bk# 2302 Pgh 1426



Square Footage:

Unit 4: 455

Unit 5: 363

Unit 6: 254

NOTE: Dimensions $\pm 6''$

Sheet 10 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY			Dwg. No. 06-524
Scale 1" = 10'	Ref. file	Flood Panel No. 1516 K	Own. By C.M.C
Date 6/6/07	Flood Zone AE	Flood Elev. 7'	
REVISIONS AND/OR ADDITIONS			
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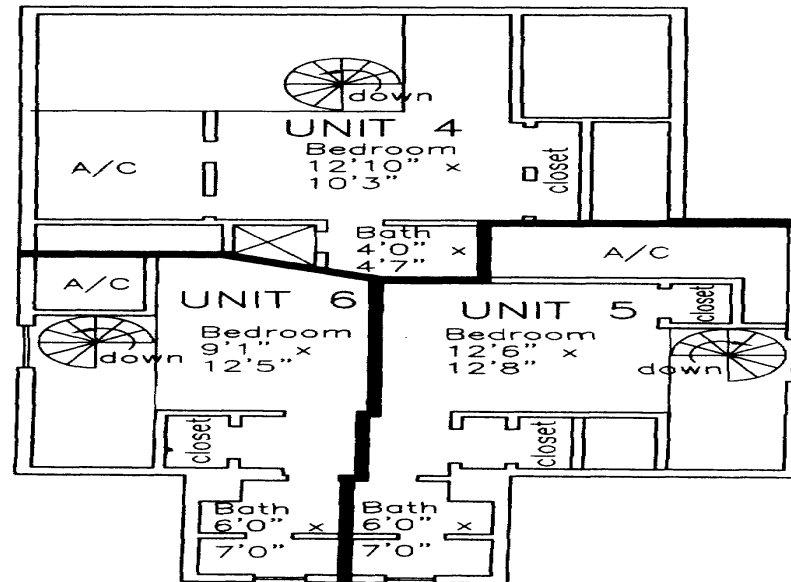
FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

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Suite 201
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616 CAROLINE CONDOMINIUM

3rd FLOOR LAYOUT

Doc# 1648725
Bk# 2302 Pg# 1427



NOTE: Dimensions $\pm 6''$

Sheet 11 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY			Dwg. No. 06-524
Scale 1" = 10'	Ref. file	Flood Panel No. 1516 K	Dwn. By C.M.C
Date 6/6/07		Flood Zone AE	Flood Elev. 7'
REVISIONS AND/OR ADDITIONS			
c:\drawings\key west\block 23\616 caroline street			

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

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616 CAROLINE CONDOMINIUM

Unit Elevations

Doc# 1648725
Bk# 2302 Pg# 1428

● Ceil. Elev. 35.80

● Loft F.F.L. 27.35

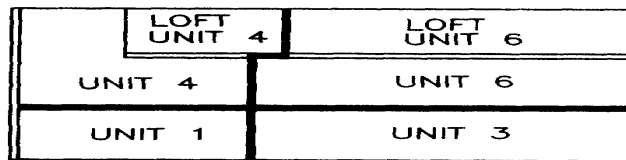
● Ceil. Elev. 26.50

● 2nd F.F.L. 17.50

● Ceil. Elev. 16.65

● 1st F.F.L. 7.15

● Grade 4.5



LOOKING NORTHEAST

● Ceil. Elev. 35.80

● Loft F.F.L. 27.35

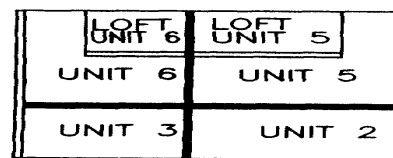
● Ceil. Elev. 26.50

● 2nd F.F.L. 17.50

● Ceil. Elev. 16.65

● 1st F.F.L. 7.15

● Grade 4.5



LOOKING NORTHWEST

Sheet 12 of 14

616 Caroline Condominium
616 Caroline Street Key West FL. 33040

CONDOMINIUM SURVEY

Dwg. No.
06-524

Scale 1" = 20'

Ref.

Flood Panel No. 1516 K

Dwn. By C.M.C

Date 6/6/07

file

Flood Zone AE

Flood Elev. 7'

REVISIONS AND/OR ADDITIONS

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

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c:\drawings\key west\block 23\616 caroline street

616 CAROLINE CONDOMINIUM LEGAL DESCRIPTION

On the Island of Key West, known on William A. Whitehead's Map, delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Commencing at a point on Caroline Street, distant from the corner of Caroline and Simonton Streets Two Hundred Seven (207) feet, and running thence in a Northeasterly direction Thirty-four (34) feet; thence at right angles in a Southeasterly Direction Ninety-One (91) feet; thence at right angles in a Southeasterly direction Thirty-four (34) feet; thence at right angles in a Northwesterly direction Ninety-One (91) feet to the place of beginning on Caroline Street.

AND ALSO

On the Island of Key West, known on William A. Whitehead's Map delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Commencing at a point on Caroline Street, distant from corner of Caroline and Simonton Streets Two Hundred One (201) feet, said point being on the dividing line between Lots 2 and 3 in Square 23, of said Map; thence at right angles in a Southeasterly direction and along the line dividing Lot 2 and Lot 3 in Square 23 of the said Map, Ninety-One (91) feet to the POINT OF BEGINNING of the Following parcel of land hereinafter described; thence continue in a Southeasterly direction and along the line dividing Lots 2 and 3 of Square 23 of the said Map, 3.00 feet; thence at right angles in a Northeasterly direction 38.80 feet; thence at right angles in a Northwesterly direction 3.00 feet; thence at right angles in a Southwesterly direction 38.80 feet back to the POINT OF BEGINNING.

AND ALSO

On the Island of Key West, known on William A. Whitehead's Map, delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Beginning at a point of Caroline Street, distant from corner of Caroline and Simonton Streets Two Hundred One point seven (201.7) feet, from said POINT OF BEGINNING bear Northeasterly along the Southeasterly Right-of-Way Line of Caroline Street, Five point Three (5.3) feet; thence at right angles in a Southeasterly direction Ninety Four (94) feet; thence at right angles in a Southwesterly direction Six point three one (6.31) feet; thence on a line deflected to the right of ninety degrees, thirty six minutes, fifty four seconds (90°36'54") in a Northwesterly direction, ninety four point zero one (94.01) feet back to the POINT OF BEGINNING on Caroline Street.

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Bk# 2302 Pg# 1429

Sheet 13 of 14

616 Caroline Condominium					
616 Caroline Street Key West FL. 33040					
CONDOMINIUM SURVEY			Dwg. No. 06-524		
Scale 1" = 10'	Ref.	Flood Panel No. 1516 K	Dwn. By C.M.C		
Date 6/6/07	file	Flood Zone AE	Flood Elev. 7'		
REVISIONS AND/OR ADDITIONS					
c:\drawings\key west\block 23\616 caroline street					

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

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Suite 201
Key West, FL. 33040
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Fax. (305) 293-0237
fhildeb1@bellsouth.net

THIS CERTIFICATION made this 6th. day of June, 2007 by the undersigned Professional Land Surveyor authorized to practice in the State of Florida, is made pursuant to the provisions of Section 718.04 (4) (E) of the Florida Statutes effective January 1, 1977, as amended, and certifies that the survey and Plot Plan, description, floor plans, graphic descriptions, unit layouts, and other material, together with this declaration are in sufficient detail to identify the common elements and each unit, and their relative locations and approximate dimensions. Further, this is a certification that the plot plan, description, graphic description, unit layout and other material in connection herewith and the construction of the improvements is substantially complete so that the material, together with the provisions of the declaration describing the condominium property is an accurate representation of the location and dimensions of the common elements and of each unit can be determined from these materials.

FREDERICK H. HILDEBRANDT

Frederick H. Hildebrandt, P.E.,PLS
Professional Land Surveyor & Mapper No.2749
Professional Engineer No 36810
State of Florida

Sheet 14 of 14

616 Caroline Condominium			
616 Caroline Street Key West FL. 33040			
CONDOMINIUM SURVEY			Dwg. No. 06-524
Scale 1"= 10'	Ref.	Flood Panel No. 1516 K	Dwn. By C.M.C
Date 6/6/07	file	Flood Zone AE	Flood Elev. 7'
REVISIONS AND/OR ADDITIONS			
c:\drawings\key west\block 23\616 caroline street			

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Doc# 1648725
Bk# 2302 Pg# 1431

**BYLAWS
OF
616 CAROLINE CONDOMINIUM ASSOCIATION, INC.,
A CONDOMINIUM ASSOCIATION**

I. IDENTITY

These are the BYLAWS of 616 CAROLINE CONDOMINIUM ASSOCIATION, INC., A CONDOMINIUM ASSOCIATION which is a corporation not for profit under the laws of the state of Florida ("the Association"), organized for the purpose of operating that certain condominium located in Monroe County, Florida, and known as 616 CAROLINE CONDOMINIUM ("the Condominium").

1.1 Principal Office. The principal office of the Association shall be 616 Caroline Street, Key West, FL 33040 or at such other place as may be designated by the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation.

1.4 Definitions. For convenience, these BYLAWS shall be referred to as "the Bylaws"; the Articles of Incorporation of the Association as "the Articles"; and the Declaration of Condominium for the Condominium as "the Declaration." The other terms used in these Bylaws shall have the same definitions and meanings as those in F.S. Chapter 718, the Condominium Act ("the Act"), as well as those in the Declaration and the Articles, unless otherwise provided in these Bylaws or unless the context otherwise requires.

II. MEETINGS OF MEMBERS AND VOTING

2.1 Annual Meeting. The annual meeting of the members shall be held on the 15th of December and at the place and time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the members.

2.2 Special Meetings. Special meetings of the members shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary on receipt of a written request from at least 10% of the voting interests of the Association. Requests for a meeting by the members shall state the purpose for the meeting. Business conducted at any special meeting shall be limited to the matters stated in the notice for the meeting. The provisions of this section, as applicable, shall be modified by the provisions of F.S. 718.112(2)(e), concerning budget meetings; F.S. 718.112(2)(k), concerning recall; F.S. 718.112(2)(f), concerning budget reserves; and F.S. 718.301(1)-(2), concerning election of Directors by Unit Owners other than Developer.

2.3 Notice of Annual Meeting. Written notice of the annual meeting --which notice shall specifically incorporate an identification of agenda items --shall be mailed or hand delivered to each Unit Owner at least 14 days and not more than 30 days before the annual meeting. A copy of the notice shall be posted in a conspicuous place on the Condominium property at least 14 continuous days before the annual meeting. An Officer of the Association shall provide an Affidavit or United States Post Office Certificate of Mailing, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered to each Unit Owner at the address last furnished to the Association. Unit Owners may waive notice of the annual meeting.

2.4 Notice of Special Meetings, Generally. Except as modified by the specific requirements for special kinds of members' meetings as set out in these Bylaws, notice of special meetings generally shall be in writing, state the place, day, and hour of the meeting, and state the purpose or purposes for which the meeting is called. The notice shall be delivered to each Unit Owner not less than 14 days before the date of the meeting, either personally or by first class mail, by

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or at the direction of the President, the Secretary, or the Officer or persons calling the meeting. If mailed, the notice shall be considered delivered when deposited in the United States mail addressed to the Unit Owner at the address that appears in the records of the Association, with postage prepaid. Payment of postage for notice of any special meeting, by whomever called, shall be an obligation of the Association.

2.5 Notice of Budget Meeting. The Board of Directors shall mail or hand deliver to each Unit Owner at the address last furnished to the association a notice and a copy of the proposed annual budget, not less than 14 days before the meeting at which the Board will consider the budget.

2.6 Notice of Meeting to Consider Excessive Budget. If a budget adopted by the Board of Directors requires assessment against the Unit Owners for any calendar year exceeding 115% of the assessment for the preceding year (less any lawfully excluded items), the Board, on written application of 10% of the voting interests to the Board, shall call a special meeting of the Unit Owners within 30 days, on not less than 14 days' written notice to each Unit Owner.

2.7 Notice of Meeting to Consider Recall of Board Members. A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by 10% of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, stating the purpose of the meeting. The notice must be accompanied by a dated copy of a signature list of at least 10% of the Unit Owners. The meeting shall be held not less than 10 days nor more than 60 days from the date the notice of the meeting is given.

2.8 Notice of Meeting to Elect Nondeveloper Directors. Within 75 days after the unit owners other than Developer are entitled to elect a member or members of the board of directors of the Association, the Association shall call an election for the members of the board of directors, and shall give at least 60 days notice thereof.

2.9 Quorum. A quorum at meetings of members shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire membership.

2.10 Voting.

a. **Number of Votes.** In any meeting of members, each Unit shall have one vote.

b. **Majority Vote.** The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.11 Membership-Designation of Voting Member. Persons or entities shall become members of the Association on the acquisition of legal title to a Unit in the Condominium after approval of the acquisition in the manner provided in the Declaration. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person (other than a husband and wife), or a corporation, partnership, or other artificial entity, the voting interest of that Unit shall be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association in its official records.

2.12 Proxies; Powers of Attorney. Voting interests may be exercised in person or by proxy. However, limited proxies must be used for votes taken to waive or reduce reserves, votes to waive financial statement requirements, votes to amend the declaration, articles of bylaws, and for any other matter for which Chapter 718, Florida Statutes, requires or permits a vote of the unit owners. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes. General proxies may also be used for the purpose of obtaining a quorum. Limited proxies must not be used in electing board members, except in the case of recall. Each proxy shall set forth specifically the name of the person voting by proxy, the name of the person authorized to vote the proxy for him or her, and the date the proxy was given. Each proxy shall contain the date, time, and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the

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BYLAWS - 616 CAROLINE CONDOMINIUM ASSOCIATION, INC.

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manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for more than 90 days after the date of the first meeting for which it was given, and may be revoked at any time at the pleasure of the Unit Owner executing it. The proxy shall be signed by the Unit Owner or by the designated person mentioned in section 2.11, or the duly authorized attorney-in-fact of that person or entity (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a Unit Owner, properly executed and granting the authority, may present a limited proxy at the meeting but may not exercise the voting interest of that Unit. If the proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. If this provision is not made, substitution is not authorized.

2.13 Adjourned Meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that when meetings have been called to consider the enactment of a budget to replace a proposed budget that exceeds 115% of the assessments for the preceding year, the meetings may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on the Condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.14 Waiver of Notice. Unit owners may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the Secretary of the Association either before, at, or after the meeting for which the waiver is given.

2.15 Action by Members Without a Meeting. Unit owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners' votes, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles, or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the members, and responses received after that shall not be considered.

2.16 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection at all reasonable times by any Association member, any authorized representative of the member, and Board members. The minutes shall be retained by the Association for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

2.17 Order of Business. The order of business at annual meetings of members and, as far as practical, at other members' meetings, shall be:

- a. The collection of any ballots not yet cast in any election of Board members.
- b. Call to order.
- c. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside.
- d. Calling of the roll, certifying of proxies, determination of a quorum.
- e. Proof of notice of meeting or waiver of notice.
- f. Reading and disposal of any unapproved minutes.
- g. Reports of Officers.

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BYLAWS - 616 CAROLINE CONDOMINIUM ASSOCIATION, INC.

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- h. Reports of committees.
- i. Appointment of inspectors of election.
- j. Determination of number of Directors.
- k. Election of Directors.
- l. Unfinished business.
- m. New business.
- n. Adjournment.

2.18 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board of Directors acting alone:

- a. Amendments to the Declaration, except those made by Developer recording a Certificate of Surveyor, or as otherwise provided specifically in the Declaration.
- b. Merger of two or more independent condominiums to form a single condominium.
- c. Purchase of land or recreation lease.
- d. Providing no reserves, or less than adequate reserves.
- e. Recall of members of Board of Directors.
- f. Other matters contained in the Declaration, the Articles, or these Bylaws that specifically require a vote of the members.

III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three Directors selected by Developer. A vacancy on the board caused by the expiration of a director's term shall be filled by electing a new board member and the election shall be by secret ballot (via written ballot or voting machine); however, if the number of vacancies equals or exceeds the number of candidates, no election is required. The terms of all members of the board shall expire upon the election of their successors at the annual meeting. The number of Directors shall never be less than three or more than six. Other than those initially selected by Developer, Directors must be either Unit Owners, tenants residing in the Condominium, officers of a corporate Unit Owner, or partners of a partnership Unit Owner. No Director (except those selected by Developer) shall continue to serve on the Board after ceasing to meet those requirements.

3.2 Election of Directors. Directors shall be elected at the annual meeting in the following manner:

- a. The members of the board shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided by law.
- b. Not less than 60 days before a scheduled election, the association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. Together with the written notice of the annual meeting and agenda that shall be mailed or hand delivered to each unit owner at least 14 days prior to the annual meeting (and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the annual

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BYLAWS - 616 CAROLINE CONDOMINIUM ASSOCIATION, INC.

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meeting), the association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates.

c. Upon request of a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper.

d. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid, provided any unit owner who violates this provision may be fined by the association in accordance with law.

e. A unit owner who needs assistance in casting the ballot due to blindness, disability or inability to read may obtain assistance in casting the ballot.

f. The regular election shall occur on the date of the annual meeting.

g. Notwithstanding the provisions of this section, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist.

3.3 Term. Each Director's term of service shall extend until the next annual meeting of the members and thereafter until his or her successor is duly elected and qualified or until he or she is removed in the manner provided in section 3.5. However, at any annual meeting after Developer has relinquished control of the Association and in order to provide a continuity of experience, the members may vote to create classes of directorships having a term of one, two, or three years so that a system of staggered terms will be initiated.

3.4 Vacancies. Except for vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by majority vote of the remaining Directors. Any Director elected to fill a vacancy shall hold office only until the next election of Directors by the members, irrespective of the length of the remaining term of the vacating Director.

3.5 Removal. Subject to the provisions of §718.301, Florida Statutes, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the Board may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

3.5.1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The board shall duly notice and hold a board meeting within 5 full business days of the adjournment of the unit owner meeting to recall one or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph 3.5.3.

3.5.2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48, Florida Statutes, and the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board within 5 full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective

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BYLAWS - 616 CAROLINE CONDOMINIUM ASSOCIATION, INC.

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immediately and shall turn over to the Board within 5 full business days any and all records and property of the association in their possession, or proceed as described in subparagraph 3.5.3.

3.5.3. If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in §718.1255, Florida Statutes. For the purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to s. 718.501. Any member or members so recalled shall deliver to the Board any and all records of the association in their possession within 5 full business days of the effective date of the recall.

3.5.4. If the Board fails to duly notice and hold a Board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the association.

3.5.5. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this subsection. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

3.6 Resignation. Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt of the notice by the Association, unless it states some fixed date in the resignation, and then from the date so fixed. Acceptance of a resignation shall not be required to make it effective.

3.7 Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within 10 days of the election at a place and time that shall be fixed by the Directors at the meeting at which they were elected and with the notice to Unit Owners required by F.S. 718.112(2)(c). The Board of Directors may meet immediately following the meeting at which they are elected for the purpose of electing officers and changing banking resolutions without further notice, except for an announcement at the Unit Owners' meeting.

3.8 Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone, or telegraph at least three days before the day named for the meeting with the notice of each meeting posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency. However, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use, will be considered shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the association. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the condominium property or association property upon which all notices of board meetings shall be posted. If there is no condominium property or association property upon which notices can be posted, notices of board meetings shall be mailed or delivered at least 14 days before the meeting to the owner of each unit. Notice of any meeting in

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which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Meetings of a committee to take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this section, unless those meetings are exempted from this section by these Bylaws.

3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President and, in his or her absence, by the Vice President, and must be called by the Secretary at the written request of one third of the Directors. Notice of the meeting shall be given personally or by mail, telephone, or telegraph. The notice shall state the time, place, and purpose of the meeting and shall be transmitted not less than three days before the meeting. A copy of the notice of any special meeting shall be posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency and except when longer notice is required by law or another provision of these Bylaws. 14 days notice shall be given of any Board meeting at which special assessments or amendments to rules regarding unit use will be considered.

3.10 Waiver of Notice. Any Director may waive notice of a meeting before, at, or after the meeting and that waiver shall be considered equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the meeting, except when the Director's attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.11 Quorum. A quorum at the meetings of the Directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except when approval by a greater number of Directors is required by the Declaration, the Articles, or these Bylaws.

3.12 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.13 No Proxy. There shall be no voting by proxy at any meeting of the Board of Directors.

3.14 Presumed Assent. A Director present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against the action or abstains from voting because of an asserted conflict of interest.

3.15 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that Director for the purpose of determining a quorum.

3.16 Attendance by Conference Telephone. When telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board members and by any Unit Owners present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

3.17 Meetings Open to Members. Meetings of the Board of Directors shall be open to all Unit Owners to attend, observe, and speak with reference to all designated agenda items. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and set out the nature of the assessments. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the unit owners is inapplicable to meetings between the board or a committee and the association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

3.18 Presiding Officer. The presiding Officer at Board meetings shall be the President or,

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in his or her absence, the Vice President, and in his or her absence, the Directors present shall designate any one of their number to preside.

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association member or the authorized representative of the member and Board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

3.20 Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.21 Order of Business. The order of business at meetings of Directors shall be:

- a. Calling of roll.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of Officers and committees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.22 Relinquishment of Control. When at least one unit is owned by an owner other than the Developer, the unit owner(s) other than the Developer shall be entitled to elect no less than one-third of the members of the Board of Directors of the association. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors of the association:

(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

(b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

(c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or

(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; whichever occurs first. The Developer is entitled to elect at least one member of the Board of an association as long as the Developer holds for sale in the ordinary course of business at least 5 percent, of the units in a condominium operated by the association. Following the time the Developer relinquishes control of the association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the Board.

3.23 Failure to Elect Director Quorum. If the Association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. If a receiver is

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appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all the powers and duties of a duly-constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles, and these Bylaws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees, subject only to the approval by Unit Owners when that approval specifically is required. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, Management, and Operation of Condominium Property.

4.2 Contract, Sue, or be Sued. The Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the common elements and commonly-used facilities.

4.3 Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.4 Make and Collect Assessments.

4.5 Lease, Maintain, Repair, and Replace the Common Elements.

4.6 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees, costs, and expenses incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.7 Purchase Unit. In addition to its right to purchase Units at a lien foreclosure sale, the Association generally has the power to purchase Units in the Condominium and to acquire, hold, lease, mortgage, and convey them.

4.8 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

4.9 Purchase Land or Recreation Lease. Any land or recreation lease may be purchased by the Association on the approval of two thirds of the voting interests of the Association.

4.10 Acquire Title to Property. The Association has the power to acquire title to property or otherwise hold property for the use and benefit of its members.

4.11 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the common elements, common expenses, or common surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors or a majority of the voting interests.

4.12 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.13 Maintain Official Records. The Association shall maintain all of the records, when applicable, set forth in Article IX of these Bylaws, which shall constitute the official records of the

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Association.

4.14 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, and the Condominium property.

4.15 Furnish Annual Financial Reports to Members.

4.16 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.17 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.18 Pay Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association

4.19 Approve or Disapprove Unit Transfer and Impose Fee. The Association may charge a fee of \$100 in connection with the approval or disapproval of any proposed lease, sublease, sale, or other transfer of a Unit in the Condominium as provided in the Declaration at Section 13.2.1.

4.20 Contract for Operation, Maintenance, and Management of the Condominium.

4.21 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.22 Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Unit Owners.

4.23 Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and may retain those professional services that are required for those purposes.

4.24 Impose Fines. The Board of Directors may impose fines on Unit Owners in reasonable sums as the Board may deem appropriate, not to exceed \$50 for violations of the Declaration, these Bylaws, or lawfully adopted rules and regulations, by Owners, their guests, invitees, or tenants. See 7.9.

4.25 Suspend Approval for Delinquent Unit Owner. The Board of Directors may disapprove the prospective tenant of any Unit Owner as long as the Unit Owner is delinquent in the payment of assessments for Common Expenses.

4.26 Authorize Private Use of the Common Elements. The Board of Directors may authorize Unit Owners or others to use portions of the Common Elements, such as social rooms and meetings rooms, for private parties and gatherings. Reasonable charges may be imposed provided a lease is entered into between the Association and the Unit Owner.

4.27 Repair or Reconstruct Improvements After Casualties.

4.28 Limited Power to Convey Common Elements. The Association, by action of its Board of Directors, shall have a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

4.29. Respond to Unit Owner Written Inquiry. As provided in Section 14.3 of the Declaration, when a unit owner files a written inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The Board's response shall either (a) give a substantive response, (b) notify the inquirer that a legal

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opinion has been requested from an attorney, or (c) notify the inquirer that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation (hereinafter the "Division"). If advice has been requested from the Division, the Board shall provide a written substantive response to the inquirer within 10 days of receipt of the advice. If a legal opinion is requested, the Board shall provide a written substantive response to the inquirer within 60 days of receipt of the inquiry. The failure to provide a substantive response as set forth above precludes the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceedings, or arbitration arising out of the complaint. If unresolved, a dispute, as defined in F.S. 718.1255(1), must be arbitrated in mandatory nonbinding arbitration proceedings prior to commencement of litigation. The Board of Directors may adopt reasonable rules and regulations governing the frequency and manner of responding to unit owner inquiries, including a limit of one unit owner inquiry in any 30-day period.

4.30. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of compliance of the condominium units to the applicable fire and life safety code.

V. OFFICERS

5.1 Executive Officers. The executive Officers of the Association shall be a President who shall be a Director, a Vice President who shall be a Director, and a Treasurer/Secretary who shall be a Director. The Officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive Officer of the Association. He or she shall have all of the powers and duties that usually are vested in the office of President of an association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he or she may determine appropriate. The President shall preside at all meetings of the Board.

5.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He or she also shall assist the President and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

5.4 Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all proceedings of the Directors and the members. He or she shall attend to the serving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, and shall perform all other duties incident to the office of the Secretary of an Association and as may be required by the Directors or the President and shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep books of account for the Association in accordance with good accounting practices, that, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. Secretary/Treasurer shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation. The compensation, if any, of all employees of the Association shall be fixed by the Board of Directors.

VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board

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called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- a. Administration of the Association.
- b. Management fees.
- c. Maintenance.
- d. Taxes on Association property.
- e. Taxes on leased areas.
- g. Insurance.
- h. Other expenses.
- i. Operating capital.
- j. Any fees which may be payable in the future to the Division of Florida Land Sales, Condominiums, and Mobile Homes.
- k. Reserve accounts for capital expenditures and deferred maintenance, including, but not limited to, roof replacement and building painting. The amount to be reserved shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget but may be removed from the final budget if by vote of the majority of the members present at a duly called meeting of the Association they shall determine for a fiscal year to provide no reserves or reserves less adequate than required by F.S. 718.112(2)(f). If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and the result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be considered. The meeting shall be open to all the Unit Owners.

6.4 Member Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires assessments against the Unit Owners in any fiscal year exceeding 115% of the assessment for the previous year, the Board, on written application of 10% of the voting interests, shall call a special meeting of the Unit Owners within 30 days. The special meeting shall be called on not less than 14 days' written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and adopt a budget, which adoption requires an affirmative vote of not less than a majority of all voting interests. If, at the special meeting, a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium property, nonrecurring expenses, and assessments for betterment to the Condominium property shall be excluded from the computation in determining whether assessments exceed 115% of similar assessments in the previous year.

6.5 Budget Restraints on Developer. As long as Developer is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of the previous year's assessment without approval of a majority of all voting interests other than those held by Developer.

6.6 Accounting Records and Reports. The Association shall maintain accounting records in the county in which the Condominium is located, according to good accounting practices. The

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records shall be open to inspection by any Association member or the authorized representative of the member at all reasonable times. The records shall include, but are not limited to:

- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year. Within 60 days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months.

6.7 Depository. The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons authorized by the Board of Directors.

6.8 Fidelity Bonding or Insurance of Persons Controlling or Disbursing Funds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, Generally. Assessments shall be made against the Units not less frequently than quarterly in the discretion of the Board of Directors. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessment funds shall be collected against Units in the proportions or percentages provided in the Declaration.

7.2 Special Assessments. The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for common expenses, as determined by the Board of Directors, shall be set forth in a written notice of the assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within the time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected under a special assessment shall be used only for the specific purpose or purposes set forth in the notice, or returned to the Unit Owners. Excess funds may be used to reduce the next year's annual assessments. On completion of the specific purpose or purposes, however, any excess funds shall be considered common surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against individual members for other than common expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than common expenses may be made only after approval of a member or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the use of the Condominium property or recreation area, maintenance services furnished at the expense of a member, and other services furnished for the benefit of a member.

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7.4 Liability for Assessments. Each Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that come due while he or she is the Unit Owner. The Unit Owner and grantee are jointly and severally liable for all unpaid assessments that came due up to the time of transfer of title. A first mortgagee or its successor or assignee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

a. the unit's unpaid common expenses and regular periodic assessments that accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

b. one percent of the original mortgage debt. The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the mortgagee.

A Unit Owner's liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

7.5 Assessments; Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection: Interest, Application of Payment. Assessments and installments on them, if not paid within 10 days after the date they become due, shall bear interest at the rate of 18% per year until paid, as is provided in Section 19 of the Declaration. All assessment payments shall be applied first to interest and then to the assessment payment due.

7.7 Lien for Assessment. The Association has a lien on each Condominium parcel to secure the payment of assessments. The lien is effective for one year after the claim of lien is recorded in the public records of Monroe County unless, within that time, an action to enforce the lien is commenced. The claim of lien shall secure all unpaid assessments that are due and that may accrue after the recording of the claim of lien and before the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the Association incident to the collection process. The priority of the lien shall be as provided by §718.116(5), *Florida Statutes*.

7.8 Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine under section 4.25, the Board of Directors shall afford an opportunity for hearing before a Committee composed of the other unit owners to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

- a. a statement of the date, time and place of the hearing;
- b. a statement of the provisions of the Declaration, these Bylaws, and lawfully adopted rules and regulations that have allegedly been violated; and

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- c. a short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved. If the Committee does not agree with the fine, the fine may not be levied. Each day of violation shall be a separate violation. No such fine in the aggregate shall exceed \$1,000.00. The affected Unit Owner, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units.

VIII. ASSOCIATION CONTRACTS, GENERALLY

8.1 Fair and Reasonable; Cancellation. Any contracts made by the Association before the Unit Owners assume control from Developer must be fair and reasonable. All contracts for the operation, maintenance, or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control of the Association by the Unit Owners, must not be in conflict with the powers and duties of the Association or the rights of the Unit Owners. Contracts made by the Association before the Unit Owners assume control may be canceled by the Unit Owners after assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Escalation Clauses in Management Contracts Prohibited. No management contract entered into by the Association shall contain an escalation clause, since they have been declared to be against the public policy of the state of Florida.

8.3 Requirements for Maintenance and Management Contracts. Written contracts for operation, maintenance, and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- a. Specification of the services, obligations, and responsibilities of the service provider.
- b. Specification of costs for services performed.
- c. An indication of frequency of performance of services.
- d. Specification of minimum number of personnel to provide the contracted services.
- e. The disclosure of any financial or ownership interest that Developer has in the service provider, if Developer is in control of the Association.

IX. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- a. A copy of the plans, permits, warranties, and other items provided by Developer under F.S. 718.301(4).
- b. A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto.
- c. A photocopy of the recorded Bylaws of the Association and all amendments thereto.
- d. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- e. A copy of the current rules of the Association.
- f. A book or books containing the minutes of all meetings of the Association, of the

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Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven years.

g. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.

h. All current insurance policies of the Association and Condominiums operated by the Association.

i. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.

j. Bills of sale or transfer for all property owned by the Association.

k. The accounting records required in 6.7.

l. Ballots, sign-in sheets, and voting proxies, which shall be maintained for a period of one year from the date of the election, vote, or meeting to which the proxy relates.

m. All rental records when the Association is acting as agent for the rental of Condominium Units.

n. All other records of the Association not specifically included in the foregoing that are related to the operation of the Association.

The official records of the Association shall be maintained within the state of Florida and shall be open to inspection by any Association member or the authorized representative of the member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member. The Association shall provide the records within 5 working days after receipt of a written request. The failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection. Copies of the Declaration, Articles of Incorporation, Bylaws, rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in F.S. 718.504, shall be kept on the Condominium property and shall be made available to Unit Owners and prospective purchasers on payment by Unit Owners and prospective purchasers of the actual costs for preparing and furnishing these documents to those requesting the same.

X. OBLIGATIONS OF OWNERS

10.1 Violations, Notice, Actions. In the case of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Act, the Declaration, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Association by direction of its Board of Directors may transmit to the Unit Owner by certified mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

a. File an action to recover for its damages on behalf of the Association or on behalf of other Unit Owners.

b. File an action for injunctive relief requiring the offending Unit Owner to take or desist from taking certain actions.

c. File an action for both damages and injunctive relief.

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A Unit Owner may bring an action against the Association or any Director for damages, injunctive relief, or both, if the Association or a Director willfully and knowingly fails to comply with the provisions of the Act, the Declaration, the Articles, these Bylaws, or the rules and regulations.

The foregoing action may be taken in addition to the Association's right to impose fines under section 4.25 of these Bylaws.

10.2 Attorneys' Fees. In any action brought under the provisions of section 10.1, the prevailing party is entitled to recover reasonable attorneys' fees.

10.3 No Waiver of Rights. Neither a Unit Owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a Unit Owner or the purposes of the provision, except that Unit Owners or Board members may waive notice of specific meetings in writing.

XI. ARBITRATION OF INTERNAL DISPUTES

All issues or disputes that are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for mediation or arbitration shall be resolved through the alternative dispute resolution procedures instead of civil litigation in the manner required by §718.1255, *Florida Statutes*.

XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership nor impair any rights or remedies that the Association may have against the former member arising out of membership and his or her covenants and obligations incident to that membership.

XIII. LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his or her Unit.

XIV. PARLIAMENTARY RULES

ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

XV. RULES AND REGULATIONS

15.1 Board May Adopt. The Board of Directors from time to time may adopt and amend reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association property, and recreational facilities serving the Condominium.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall become effective immediately on posting.

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15.3 Limitations on Authority. The Board of Directors may not unreasonably restrict any Unit Owner's right to peaceably assemble or to invite public officers or candidates for public office to appear and speak in Common Elements, Association property, common areas, and recreational facilities. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

15.4 Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness, and peace of mind of the Unit Owners and uniformly applied and enforced.

XVI. RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE, AND APPEARANCE OF UNITS

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and in the Rules and Regulations of the Association, and no amendments to the restrictions shall be contained elsewhere than in the Declaration and the Rules and Regulations as adopted by a vote of the Unit Owners conducted in the manner prescribed in these Bylaws.

16.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that they (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

XVII. PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- a. The Act, as it existed on the date of recording the Declaration.
- b. The Declaration.
- c. The Articles.
- d. These Bylaws.
- e. The rules and regulations.

XVIII. INDEMNIFICATION

Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he or she may be a party, or in which he or she may become involved by reason of being or having been an Officer or Director of the Association, whether or not an Officer or Director at the time the expenses are incurred. The Officer or Director shall not be indemnified if adjudged guilty of gross negligence or willful misconduct or if he or she shall have breached the fiduciary duty to the members of the Association. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or Officer may be entitled.

XIX. DEFECTIVE CONDOMINIUM DOCUMENTS; CURATIVE PROVISIONS

Under F.S. 718.110(10), the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment

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procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

XX. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

20.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

20.2 Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two thirds of the voting interests of the Association.

20.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter, or amend the rights of Developer or mortgagees of Units without their consent.

20.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration of each Condominium operated by the Association is recorded, shall be executed by the Pres. or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county where the Declaration is recorded.

20.5 Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER ____ FOR PRESENT TEXT."

XXI. CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the BYLAWS of 616 CAROLINE CONDOMINIUM ASSOCIATION, INC., on JUNE 8, 2007.

BY:


DANIEL DEUTSCH
President

ATTEST:


JUDITH DEUTSCH
Secretary

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Exhibit "D" to Declaration

**RULES AND REGULATIONS
of
616 CAROLINE CONDOMINIUM**

A. GENERAL RULES

1. No exterior radio, television, or data reception antennas or any exterior wiring for any purpose may be installed without the written consent of the directors.

2. To maintain harmony of exterior appearance, no one will make any changes to, place anything on, affix anything to, or exhibit anything from any part of the condominium or association property that is visible from the exterior of the building or from the common elements without the prior written consent of the directors. Please note: Pursuant to Section 718.113(4), Florida Statutes, any unit owner may display one portage, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration, rules or regulations dealing with flags. All curtains, shades, drapes, and blinds will be white or off-white in color or lined with material of these colors. Balcony tile and floor covering colors must be approved by the board.

3. All common elements inside and outside the buildings will be used for their designated purposes only, and nothing belonging to unit owners, or their family, tenants, or guests, will be kept therein or thereon without the approval of the directors. Such areas will at all times be kept free of obstruction. Owners are financially responsible to the association for damage to the common elements caused by themselves, their tenants, guests, and family members.

4. While owners may have pets, guests and tenants are not permitted to have pets. The board of directors has the authority and discretion to make exceptions to the limitations in this regulation in individual cases and to impose conditions concerning the exceptions.

5. Disposal of garbage and trash will be only by use of receptacles approved by the association. It is the policy of the association to recycle. All owners and guests will put out trash, divided by type, securely placed in the appropriate containers the night before scheduled pick up.

6. All non-owner persons occupying units will be registered with the manager or other designate of the association at or before the time of their occupancy of the unit. This includes renters and house guests.

When units are rented, a copy of these rules and regulations must be given to the tenants and guests by whomever is responsible for the rental, whether it is by the unit owner, the unit owner's agent, or the Association's management company.. No unit may be permanently occupied by more persons than the number of bedrooms times two, nor may more persons, including guests, occupy a unit overnight than the number of bedrooms times two.

7. The association shall retain a passkey to the units, and the unit owners shall provide the association with a new or extra key whenever locks are changed or added for the use of the association pursuant to its statutory right to access to the units.

8. Children will be under the direct control of a responsible adult and will not be permitted to run, play tag, or act boisterously on the condominium property. Skateboarding, "Big Wheels," or loud or obnoxious toys are prohibited. Children may be removed from the common areas for misbehavior by or on the instructions of the directors.

9. Loud and disturbing noises are prohibited. All radios, televisions, tape machines, compact disc players, stereos, singing, and playing of musical instruments, etc., will be regulated to sound levels that will not disturb others.

10. Illegal and immoral practices are prohibited.

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11. Lawns, shrubbery, or other exterior plantings will not be altered, moved, or added to without permission of the association.

12. Nothing will be done or kept in any unit or in the common elements that will increase the rate of insurance on the building or contents of the building without the prior written consent of the directors. No owner will permit anything to be done or kept in the owner's unit or in the common elements that will result in the cancellation of insurance on the building or the contents of the building, or that would be in violation of any law or building code.

13. Repair, construction, decorating, or remodeling work will be done on Mondays through Saturdays between the hours of 8:00 a.m. and 5:00 p.m. only.

14. These rules and regulations will apply equally to owners, their families, guests, domestic help, and lessees.

15. The board of directors of the association may impose a \$50.00 fine for each violation of these rules and regulations or for any violation of the condominium documents. A fine may be levied on the basis of each day of a continuing violation, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine will become a lien against a unit. No fine may be levied except after giving reasonable notice (at least 14 days) and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied. The provisions of this section do not apply to unoccupied units.

16. The condominium and management staff are not permitted to do private work for unit owners, their families, tenants, or guests while on duty. If both parties are agreeable, staff may assist such persons privately when off duty.

17. These rules and regulations do not purport to constitute all of the restrictions affecting the condominium and common property. Reference should be made to the condominium documents.

18. These rules and procedures may be changed without notice.

B. RULES FOR UNIT OWNER PARTICIPATION IN BOARD OF DIRECTORS MEETINGS, A BUDGET COMMITTEE MEETING, AND A MEETING OF ANY COMMITTEE AUTHORIZED TO TAKE ACTION ON BEHALF OF THE BOARD; LOCATION FOR POSTING NOTICES OF MEETINGS

I. RIGHT TO SPEAK:

1. To the maximum extent practicable, the posted board meeting agenda for each meeting will list the substance of the matters and actions to be considered by the board.

2. Robert's Rules of Order (latest edition) will govern the conduct of the association meeting when not in conflict with the declaration of condominium, the articles of incorporation, or the bylaws.

3. After each motion is made and seconded by the board members, the meeting chairperson will permit unit owner participation regarding the motion on the floor. Such time may be limited depending on the complexity and effect on the association.

4. A unit owner wishing to speak must first raise his or her hand and wait to be recognized by the chairperson.

5. While a unit owner is speaking, he or she must address only the chairperson; no one else is permitted to speak at the same time.

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6. In regard to any one subject or motion, a unit owner may speak only once for not more than three minutes, and only on the subject or motion on the floor.

7. The chairperson, by asking if there is any objection and hearing none, may permit a unit owner to speak for longer than three minutes, or to speak more than once on the same subject. The objection, if any, may be that of a board member only, and if there is an objection the question will be decided by board vote.

8. The chairperson will have the sole authority and responsibility to see to it that all unit owner participation is relevant to the subject or motion on the floor.

II. RIGHT TO VIDEO OR AUDIOTAPE:

1. Audio and video equipment and devices that unit owners are authorized to use at any such meeting must not produce distracting sound or light emissions.

2. Audio and video equipment will be assembled and placed in a location that is acceptable to the board or the committee before the beginning of the meeting.

3. Anyone videotaping or recording a meeting will not be permitted to move about the meeting room in order to facilitate the recording.

4. At least 24 hours' advance written notice will be given to the board by any unit owner desiring to use any audio/video equipment to record a meeting.

III. LIMITATION ON THE ASSOCIATION'S OBLIGATION TO RESPOND TO WRITTEN INQUIRIES: THE ASSOCIATION SHALL NOT BE OBLIGATED TO RESPOND TO MORE THAN ONE WRITTEN INQUIRY FROM A UNIT OWNER FILED BY CERTIFIED MAIL IN ANY GIVEN 30-DAY PERIOD. ANY ADDITIONAL INQUIRY OR INQUIRIES SHALL BE RESPONDED TO IN THE SUBSEQUENT 30-DAY PERIOD OR PERIODS.

IV. ALL NOTICES OF MEMBERSHIP, DIRECTORS, AND COMMITTEE MEETINGS AT WHICH UNIT OWNERS ARE ENTITLED TO PARTICIPATE WILL BE POSTED ON THE FRONT DOOR OF EACH UNIT.

616 CAROLINE CONDOMINIUM

LEGAL DESCRIPTION

EXHIBIT "E"

On the Island of Key West, known on William A. Whitehead's Map, delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Commencing at a point on Caroline Street, distant from the corner of Caroline and Simonton Streets Two Hundred Seven (207) feet, and running thence in a Northeasterly direction Thirty-four (34) feet; thence at right angles in a Southeasterly Direction Ninety-One (91) feet; thence at right angles in a Southeasterly direction Thirty-four (34) feet; thence at right angles in a Northwesterly direction Ninety-One (91) feet to the place of beginning on Caroline Street.

AND ALSO

On the Island of Key West, known on William A. Whitehead's Map delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Commencing at a point on Caroline Street, distant from corner of Caroline and Simonton Streets Two Hundred One (201) feet, said point being on the dividing line between Lots 2 and 3 in Square 23, of said Map; thence at right angles in a Southeasterly direction and along the line dividing Lot 2 and Lot 3 in Square 23 of the said Map, Ninety-One (91) feet to the POINT OF BEGINNING of the Following parcel of land hereinafter described; thence continue in a Southeasterly direction and along the line dividing Lots 2 and 3 of Square 23 of the said Map, 3.00 feet; thence at right angles in a Northeasterly direction 38.80 feet; thence at right angles in a Northwesterly direction 3.00 feet; thence at right angles in a Southwesterly direction 38.80 feet back to the POINT OF BEGINNING.

AND ALSO

On the Island of Key West, known on William A. Whitehead's Map, delineated in February A.D. 1829, as Part of Lot Two (2), Square Twenty-Three (23). Beginning at a point of Caroline Street, distant from corner of Caroline and Simonton Streets Two Hundred One point seven (201.7) feet, from said POINT OF BEGINNING bear Northeasterly along the Southeasterly Right-of-Way Line of Caroline Street, Five point Three (5.3) feet; thence at right angles in a Southeasterly direction Ninety Four (94) feet; thence at right angles in a Southwesterly direction Six point three one (6.31) feet; thence on a line deflected to the right of ninety degrees, thirty six minutes, fifty four seconds (90°36'54") in a Northwesterly direction, ninety four point zero one (94.01) feet back to the POINT OF BEGINNING on Caroline Street.

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616 Caroline Condominium			
616 Caroline Street Key West FL. 33040			
		Dwg. No. 06-524	
Scale 1" = 10'	Ref.	Flood Panel No. 1516 K	Dwn. By C.M.C
Date 6/6/07	file	Flood Zone AE	Flood Elev. 7'
REVISIONS AND/OR ADDITIONS			
c:\drawings\key west\block 23\616 caroline street			

FREDERICK H. HILDEBRANDT
ENGINEER PLANNER SURVEYOR

3152 Northside Drive
Suite 201
Key West, Fl. 33040
(305) 293-0466
Fax: (305) 293-0237
fhildeb1@bellsouth.net

Prepared by and return to:
 Diane T. Covan
 1901 Fogarty Avenue, #1
 Key West, FL 33040

Doc# 1648725
 Bk# 2302 Pg# 1454

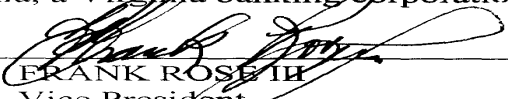
CONSENT OF MORTGAGEE TO DECLARATION OF CONDOMINIUM

BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation, is the mortgagee holding the mortgage given by DANIEL DEUTSCH, JUDITH DEUTSCH, MARC DOCTORS and MARY ELIZABETH DOCTORS on property known as 616 Caroline Street, Key West, FL 33040. Such mortgage is dated March 25, 2005, recorded at Official Records Book 2097, Page 949 *et seq.*, and modified by Modification of Mortgage dated May 26, 2006, recorded at Official Records Book 2220 at Page 1000 of the Public Records of Monroe County, Florida.

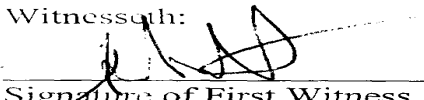
Pursuant to the requirements of '718.104(3), BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation does hereby consent to the filing of a Declaration of Condominium by DANIEL DEUTSCH, JUDITH DEUTSCH, MARC DOCTORS and MARY ELIZABETH DOCTORS concerning property located at 616 Caroline Street, Key West, FL 33040.

BRANCH BANKING AND TRUST COMPANY,
 a North Carolina banking corporation (Successor by
 merger to Branch Banking and Trust Company of
 Virginia, a Virginia banking corporation)

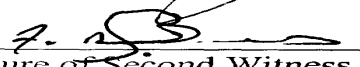
BY: _____


 FRANK ROSE III
 Vice President

Witnesseth: _____


 Signature of First Witness

Henry F. Abbott
 Printed Name of First Witness


 Signature of Second Witness

Amir S. Broumand
 Printed Name of Second Witness

STATE OF VIRGINIA)
 CITY) ss.
 COUNTY OF ALEXANDRIA)

Sworn to and subscribed before me, by Frank Rose, III who is personally known to me, or who produced _____ as identification, on this 11 day of JUNE, 2007.


 Kathy L. Cerceniat
 Notary Public, State of Virginia
 My commission expires: May 31, 2011
 # 7001264

MONROE COUNTY
 OFFICIAL RECORDS